UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 Date of event requiring this shell company report:** Not applicable

For the transition period from _____ to _____

Commission file number: 001-40930

OCEANPAL INC.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

Republic of the Marshall Islands

(Jurisdiction of incorporation or organization)

c/o Steamship Shipbroking Enterprises Inc.
Pendelis 26, 175 64 Palaio Faliro, Athens, Greece

(Address of principal executive offices)

Margarita Veniou
Pendelis 26, 175 64 Palaio Faliro, Athens, Greece
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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value including the Preferred Stock Purchase Rights	**OP**	**Nasdaq Capital Market**

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2023, there were 7,448,601 outstanding shares of common stock, par value $0.01 per share.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☐ Yes ☑ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☑ No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☑ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☑
Emerging growth company ☑

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☑

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☑ International Financial Reporting Standards as issued by the International Accounting Standards Board ☐ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☑ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)
Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

☐ Yes ☐ No

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides safe harbor protections for forward-looking statements in order to encourage companies to provide prospective information about their business. Forward-looking statements include, but are not limited to, statements concerning plans, objectives, goals, strategies, future events or performance, underlying assumptions and other statements, which are other than statements of historical facts. We desire to take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are including this cautionary statement in connection therewith.

This document and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance, and are not intended to give any assurance as to future results. When used in this document, the words "believe", "anticipate," "intends," "estimate," "forecast," "project," "plan," "potential," "will," "may," "should," "expect," "targets," "likely," "would," "could," "seeks," "continue," "possible," "might," "pending," and similar expressions, terms or phrases may identify forward-looking statements.

The forward-looking statements in this document are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in its records and other data available from third parties. Although we believe that these assumptions were reasonable when made, because these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control, we cannot assure you that we will achieve or accomplish these expectations, beliefs or projections.

Such statements reflect our current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended. Such forward-looking statements, because they relate to future events, are by their very nature subject to many important factors that could cause our actual results to differ materially from those contemplated.

In addition to these important factors and matters discussed elsewhere herein, including under the heading "Item 3. Key Information—D. Risk Factors," important factors that, in our view, could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to:

- the strength of world economies;
- fluctuations in currencies, interest rates and inflationary pressures;
- dry bulk market conditions and trends, including volatility in charter rates, factors affecting supply and demand, fluctuating vessel values, opportunities for the profitable operations of dry bulk carriers;
- changes in the supply of vessels, including when caused by new newbuilding vessel orders or changes to or terminations of existing orders, and vessel scrapping levels;
- changes in our operating and capitalized expenses, including bunker prices, crew costs, dry-docking, costs associated with regulatory compliance, and insurance costs;
- our future operating or financial results;
- our ability to borrow under future debt agreements on favorable terms or at all, and our ability to comply with the covenants contained in any debt agreements we may enter into in the future, in particular due to economic, financial or operational reasons;
- changes to our financial condition and liquidity, including our ability to fund capital expenditures and investments in the acquisition and refurbishment of our vessels (including the amount and nature thereof and the timing of completion thereof, the delivery and commencement of operations dates, expected downtime and lost revenue), and other general corporate activities;

- changes in governmental rules and regulations or actions taken by regulatory authorities;
- potential liability from pending or future disputes, proceedings or litigation;
- compliance with governmental, tax, environmental and safety regulation, any non-compliance with the U.S. Foreign Corrupt Practices Act of 1977 (FCPA) or other applicable regulations relating to bribery;
- new environmental regulations and restrictions, whether at a global level stipulated by the International Maritime Organization, and/or regional/national imposed by regional authorities such as the European Union or individual countries;
- potential cyber-attacks or other disruption of information technology systems which may disrupt our business operations;
- the failure of counterparties to fully perform their contracts with us;
- our dependence on key personnel;
- adequacy of insurance coverage;
- the volatility of the price of our common shares;
- future sales of our securities in the public market and our ability to maintain our compliance with Nasdaq listing requirements;
- our incorporation under the laws of the Marshall Islands and the different rights to relief that may be available compared to other countries, including the United States;
- general domestic and international political conditions or labor disruptions, including “trade wars”, such as the armed conflicts in the Ukraine and the Middle East, acts of piracy or maritime aggression, such as recent maritime incidents involving vessels in and around the Red Sea, global public health threats and major outbreaks of diseases;
- the impact of port or canal congestion or disruptions;
- impacts of outbreaks of global or regional epidemic and pandemic diseases on the dry-bulk shipping industry;
- potential physical disruption of shipping routes due to accidents, climate-related reasons (acute and chronic), political events, public health threats, international hostilities and instability such as the ongoing conflict between Russia and Ukraine and Israel and Hamas, piracy or acts by terrorists, such as the maritime incidents in and around the Red Sea; and
- other important factors described from time to time in the reports we file with the U.S. Securities and Exchange Commission, or the SEC.

This annual report may contain assumptions, expectations, projections, intentions and beliefs about future events. These statements are intended as forward-looking statements. We may also from time to time make forward-looking statements in other documents and reports that are filed with or submitted to the SEC, in other information sent to our securityholders, and in other written materials. We also caution that assumptions, expectations, projections, intentions and beliefs about future events may and often do vary from actual results and the differences can be material. We undertake no obligation to publicly update or revise any forward-looking statement contained in this annual report, whether as a result of new information, future events or otherwise, except as required by law.

PART I.

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

The following risks relate principally to the industry in which we operate and our business in general. Other risks relate principally to the securities market and ownership of our securities. The occurrence of any of the events described in this section could significantly and negatively affect our business, financial condition, operating results, cash available for the payment of dividends on our securities, or the trading price of our common shares.

Summary of Risk Factors

The following is a summary of the risk factors which are described in further detail in this section.

Risks Relating to our Industry

- Charter hire rates for dry bulk vessels are volatile and have fluctuated significantly in the past years**,** which may adversely affect our business, financial condition, operating results and our ability to comply with loan covenants in any future borrowing facilities we may enter into.
- The current state of the global financial markets and current economic conditions may adversely impact our results of operations, cash flows, and ability to obtain future financing or refinance any future credit facilities on acceptable terms, or at all, which may negatively impact our business.
- An oversupply of vessel capacity in the dry bulk shipping market in which we operate may depress charter rates when they occur, which may limit our ability to operate our vessels profitably.
- The dry bulk vessel charter market is highly volatile and this may have an adverse effect on our revenues, earnings and profitability.
- Global economic conditions may continue to negatively impact the dry bulk shipping industry.
- Risks associated with operating ocean-going vessels could affect our business and reputation, which could have a material adverse effect on our operating results and financial condition.

- Geopolitical conditions, such as political instability, terrorist or other attacks, war, international hostilities, economic sanctions restrictions and global public health concerns, may affect the seaborne transportation industry and adversely affect our business.
- Our operating results are subject to seasonal fluctuations, which could affect our operating results.
- An increase in the price of fuel may adversely affect our operating results and cash flows.
- Worldwide inflationary pressures could negatively impact our results of operations and cash flows.
- We are subject to complex laws and regulations (including environmental standards such as IMO 2020, standards regulating ballast water discharge, etc.), including environmental regulations that can adversely affect the cost, manner or feasibility of doing business and our business, results of operations, cash flows, and financial condition.
- Operational risks and damage to our vessels could adversely impact our performance.
- If our vessels call on ports located in countries or territories that are the subject of sanctions or embargoes imposed by the U.S. government, the European Union, the United Nations, or other governmental authorities, it could lead to monetary fines or penalties and may adversely affect our reputation and the market for our securities.
- We conduct business in China, where the legal system is not fully developed and has inherent uncertainties that could limit the legal protections available to us.
- Failure to comply with the U.S. Foreign Corrupt Practices Act could result in fines, criminal penalties and an adverse effect on our business.
- Changing laws and evolving reporting requirements could have an adverse effect on our business.

Risks Relating to our Company

- A decline in the market values of our vessels could limit our ability to borrow funds in the future, trigger breaches of certain financial covenants contained in any future borrowing facilities we may enter into, and/or result in impairment charges or losses on sale.
- We charter our vessels on time charter trips with short to medium duration in a volatile shipping industry and a decline in charter hire rates could affect our results of operations and our ability to pay dividends.
- We may not be able to execute our growth strategy and we may not realize the benefits we expect from past acquisitions or future acquisitions or other strategic transactions.
- We operate secondhand vessels with an age above the industry average which may lead to increased technical problems for our vessels, higher operating expenses, affect our ability to finance and profitably charter our vessels, to comply with environmental standards and future maritime regulations and result in a more rapid depreciation in our vessels' market and book values.
- We and certain of our principal officers and directors have affiliations with Diana Shipping Inc. ("Diana Shipping"), Steamship Shipbroking Enterprises Inc. ("Steamship") and Diana Wilhelmsen Management Limited ("DWM") that could create conflicts of interest detrimental to us.
- Companies affiliated with Diana Shipping or Steamship or with our officers and directors, may acquire vessels that compete with vessels in our fleet.

- Certain of our officers and directors participate in business activities not associated with us, and do not devote all of their time to our business, which may create conflicts of interest and hinder our ability to operate successfully.
- We depend entirely on DWM and Steamship to provide the management of our fleet. The termination of our arrangements with DWM or Steamship, or DWM's or Steamship's failure to perform their obligations under our management agreements with them, may adversely affect our operations.
- A cyber-attack could materially disrupt our business.
- Climate change and greenhouse gas restrictions may adversely impact our operations and markets.
- Increasing scrutiny and changing expectations from investors, banks, and other market participants with respect to our Environmental, Social and Governance ("ESG") policies may impose additional costs on us or expose us to additional risks.
- We are subject to certain risks with respect to our counterparties on contracts, and failure of such counterparties to meet their obligations could cause us to suffer losses or otherwise adversely affect our business.
- In the highly competitive international shipping industry, we may not be able to compete for charters with new entrants or established companies with greater resources, and as a result, we may be unable to employ our vessels profitably.
- We may be unable to retain and recruit qualified key executives, key employees or key consultants, which may delay our development efforts or otherwise harm our business.
- Technological innovation and quality and efficiency requirements from our customers could reduce our charter income and the value of our vessels.
- We may not have adequate insurance to compensate us if we lose our vessels or to compensate third parties.
- We are exposed to U.S. dollar and foreign currency fluctuations and devaluations that may adversely affect our results of operations.
- We depend upon a few significant customers for a large part of our revenues and the loss of one or more of these customers could adversely affect our operating results and financial performance.
- We are an "emerging growth company" and we cannot be certain that the reduced disclosure and other requirements applicable to emerging growth companies will not make our common shares less attractive to investors.
- We are a holding company, and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations.
- Because we are organized under the laws of the Marshall Islands, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.
- If we expand our business further, we may need to improve our operating and financial systems and will need to recruit suitable employees and crew for our vessels.
- We may be subject to United States federal income tax on United States source income, which may reduce our earnings.
- United States tax authorities could treat the Company as a "passive foreign investment company," which could have adverse United States federal income tax consequences to United States holders.

Risks Relating to our Securities

- We do not have a declared dividend policy and cannot assure you that our board of directors will declare dividend payments in the future.
- If we do not have sufficient cash to pay dividends on our Series C Preferred Stock and Series D Preferred Stock when due, we may suffer adverse consequences.
- Shares of our Series C and Series D Preferred Stock are convertible into our Common Shares, and our Series E Preferred Stock are contingently exercisable into our Common Shares, which could have an adverse effect on the value of our Common Shares.
- The market prices and trading volume of our shares of common stock has and may continue to experience rapid and substantial price volatility, which could cause purchasers of our common stock to incur substantial losses.
- We may not be able to maintain compliance with Nasdaq's continued listing requirements.
- We are incorporated in the Marshall Islands, which does not have a well-developed body of corporate law, thus you may have more difficulty protecting your interests than shareholders of a U.S. corporation.
- As a Marshall Islands corporation and with some of our subsidiaries being Marshall Islands entities and also having subsidiaries in other offshore jurisdictions, our operations may be subject to economic substance requirements, which could impact our business.
- Certain of our affiliates hold certain of our common shares and certain of our Preferred Shares that, together, allow them to exert considerable influence over matters on which our shareholders are entitled to vote.
- Future issuances or sales of our common stock could cause the market price of our common stock to decline.
- Anti-takeover provisions in our organizational documents could make it difficult for our shareholders to replace or remove our current board of directors or have the effect of discouraging, delaying, or preventing a merger or acquisition, which could adversely affect the market price of our common stock.

Risk Factors

Risks Relating to our Industry

Charter hire rates for dry bulk vessels are volatile and have fluctuated significantly in the past years, which may adversely affect our business, financial condition, operating results and our ability to comply with loan covenants in any future borrowing facilities we may enter into.

Substantially all of our revenues are derived from a single market, the dry bulk market, and therefore our operating results are dependent on the cyclicality of the dry bulk shipping industry and any attendant volatility in charter rates. The degree of charter hire rate volatility among different types of dry bulk vessels has varied widely, and time charter and spot market rates for dry bulk vessel have in the recent past declined below the operating costs of vessels. When we charter our vessels pursuant to time charter trips with short to medium duration or spot charters, we are exposed to changes in the spot market and short to medium term charter market for dry bulk carriers and such changes may affect our earnings and the value of our dry bulk carriers at any given time. We cannot assure you that we will be able to successfully charter our vessels in the future or renew existing charters at rates sufficient to allow us to meet our obligations or pay any dividends in the future. Fluctuations in charter rates result mainly from changes in the supply of and demand for vessel capacity and changes in the supply of and demand for the major commodities carried by water internationally. Because the factors affecting the supply of and demand for vessels are outside of our control and are unpredictable, the nature, timing, direction and degree of changes in industry conditions are also unpredictable. A significant decrease in charter rates would adversely affect our operating results, cash flows and may cause vessel values to decline, and, as a result, we may have to record an impairment charge in our consolidated financial statements which could adversely affect our financial results.

Dry bulk market conditions remained volatile in 2023, reflecting the impact of a broad economic slowdown, the conflicts in Ukraine and the Middle East, including maritime incidents in and around the Red Sea and ongoing inflationary pressures and/or supply chain disruptions across most major economies. The above conditions have negatively impacted certain of the countries in which we operate in and may lead to a global economic slowdown, which might in turn adversely affect demand for our vessels. In particular, the conflict in Ukraine and related sanctions measures imposed against Russia has and is disrupting energy production and trade patterns, including shipping in the Black Sea and elsewhere, and has impacted the price of certain dry bulk goods, such as grain, as well as energy and fuel prices. Notably, various jurisdictions have imposed sanctions against Russia directly targeting the maritime transport of goods originating from Russia, such as of oil products and agricultural commodities such as potash. Such measures, and the response of targeted jurisdictions to them, have disrupted trade patterns of certain of the goods which we transport and have correspondingly impacted charter rates for the transport of such goods.

Factors that influence demand for dry bulk vessel capacity include:

- changes in the supply of and demand for energy resources, commodities, and semi-finished and finished consumer and industrial products;
- the location of regional and global exploration, production and manufacturing facilities;
- the location of consuming regions for energy resources, commodities, and semi-finished and finished consumer and industrial products;
- the globalization of production and manufacturing;
- global and regional economic and political conditions, armed conflicts, piracy and terrorist activities, including the ongoing conflicts between Russia and Ukraine and Israel and Hamas and the maritime incidents in and around the Red Sea;
- disruptions and developments in international trade;
- changes in seaborne and other transportation patterns, including the distance cargo is transported by sea for reasons including but not limited to reductions in canal capacities, any geopolitical conflict and military responses;
- international sanctions, embargoes, import and export restrictions, and nationalizations;
- legal and regulatory changes including regulations adopted by supranational authorities and/or industry bodies, such as safety and environmental regulations and requirements;
- epidemics and pandemics;
- weather, acts of God and natural disasters;
- environmental and other regulatory developments; and
- currency exchange rates, specifically versus USD.

Demand for dry bulk vessels is also dependent, amongst others, upon economic growth in the world's economies, seasonal and regional changes in demand and changes to the capacity of the global dry bulk fleet and the sources and supply for dry bulk cargoes transported by sea. Continued adverse economic, political or social conditions or other developments could negatively impact charter rates and therefore have a material adverse effect on our business results, operating results, and ability to pay dividends, if and when declared.

For a discussion of factors affecting the supply of the dry bulk vessel capacity, see "—An oversupply of vessel capacity in the dry bulk shipping market in which we operate may depress charter rates when they occur, which may limit our ability to operate our vessels profitably." These factors are outside of our control and are unpredictable, and accordingly we may not be able to correctly assess the nature, timing and degree of changes in charter rates.

The current state of the global financial markets and current economic conditions may adversely impact our results of operations, cash flows, and ability to obtain future financing or refinance any future credit facilities on acceptable terms, or at all, which may negatively impact our business.

Global financial markets can be volatile and a contraction in available credit may occur as economic conditions change. In recent years, operating businesses in the global economy have faced weakening demand for goods and services, deteriorating international liquidity conditions, and declining markets which led to a general decline in the willingness of banks and other financial institutions to extend credit, particularly in the shipping industry. In the future, our ability to obtain credit to finance and expand our operations may be negatively affected by such changes and volatility.

We face risks attendant to changes in economic environments, changes in interest rates, and instability in the banking and securities markets around the world, among other factors which may have a material adverse effect on our results of operations and financial condition and may cause the price of our common shares to decline.

An oversupply of vessel capacity in the dry bulk shipping market in which we operate may depress charter rates when they occur, which may limit our ability to operate our vessels profitably.

Factors that influence the supply of dry bulk vessel capacity include:

1. the number of newbuilding orders and deliveries, including slippage in deliveries;
2. the number of shipyards and ability of shipyards to deliver vessels;
3. port or canal congestion;
4. potential disruption, including supply chain disruptions, of shipping routes due to accidents, piracy and terrorist activities or other geopolitical events;
5. the scrapping of older vessels;
6. speed of vessel operation;
7. vessel casualties;
8. technological advances in vessel design and capacity;
9. the degree of scrapping or recycling of older vessels, depending, among other things, on scrapping or recycling rates and international scrapping or recycling regulations;
10. the price of steel and vessel equipment;
11. product imbalances (affecting level of trading activity) and developments in international trade;
12. the number of vessels that are out of service, namely those that are laid-up, drydocked, awaiting repairs or otherwise not available for hire;
13. availability of financing for new vessels and shipping activity;
14. changes in international regulations that may effectively cause reductions in the carrying capacity of vessels or early obsolescence of tonnage; and
15. changes in environmental and other regulations that may limit the useful lives of vessels.

In addition to the prevailing and anticipated charter rates, factors that affect the rate of newbuilding, scrapping and laying-up include newbuilding prices, secondhand vessel values in relation to scrap prices, costs of bunkers and other operating costs, costs associated with classification society surveys, normal maintenance and insurance coverage costs, the efficiency and age profile of the existing dry bulk fleet in the market and government and industry regulation of maritime transportation practices, particularly environmental protection laws and regulations. These factors influencing the supply of and demand for dry bulk shipping capacity are outside of our control, and we may not be able to correctly assess the nature, timing and degree of changes in industry conditions.

We anticipate that the future demand for our dry bulk vessels will be dependent upon economic growth in the world's economies, including China and India, seasonal and regional changes in demand, changes in the capacity of the global dry bulk fleet and the sources and supply of dry bulk cargoes transported by sea. While there has been a general decrease in new dry bulk vessels' ordering since 2014, the capacity of the global dry bulk carrier fleet could increase and economic growth may not resume in areas that have experienced a recession or continue in other areas. Adverse economic, political, social or other developments could have a material adverse effect on our business and operating results.

The dry bulk vessel charter market is highly volatile and this may have an adverse effect on our revenues, earnings and profitability.

The abrupt and dramatic downturn in the dry bulk charter market until the beginning of 2021, from which we derive substantially all of our revenues, severely affected the dry bulk shipping industry and our business. The Baltic Dry Index, or the BDI, a daily average of charter rates for key dry bulk routes published by the Baltic Exchange Limited, has long been viewed as the main benchmark to monitor the movements of the dry bulk vessel charter market as well as the performance of the entire dry bulk shipping market and has been very volatile. In 2023, the BDI ranged from a low of 530 on February 16, 2023 to a high of 3,346 on December 4, 2023. During the first months of 2024, BDI ranged from a low of 1,308 on January 17, 2024, to a high of 2,419 on March 18, 2024, and closed at 1,587 on April 10, 2024. There can be no assurance that the dry bulk charter market will continue to improve in the future. The volatility in charter rates in the dry bulk market affects our revenues and operating results and also affects the value of our dry bulk vessels, which follows the trends of dry bulk charter rates.

Volatility in the dry bulk vessel charter market has had and may continue to have additional adverse consequences for our industry and business, including an absence of financing for our vessels, no active secondhand market for the sale of our vessels, charterers seeking to renegotiate the rates for our existing time charters, and widespread loan covenant defaults in the dry bulk shipping industry and any future financings which we may enter into. Accordingly, our financial condition and operating results could be adversely affected, which could in turn cause the value of our common shares being reduced or eliminated.

Global economic conditions may continue to negatively impact the dry bulk shipping industry.

Major market disruptions and adverse changes in market conditions and the regulatory climate in China, the United States, the European Union and worldwide may adversely affect our business.

Chinese dry bulk imports have accounted for the majority of global dry bulk transportation growth annually over the last decade. Accordingly, our financial condition and operating results, as well as our future prospects, would likely be hindered by an economic downturn in any of these countries or geographic regions. In recent years China and India have been among the world's fastest growing economies in terms of gross domestic product and have been the main driving forces behind increases in shipping trade and the demand for marine transportation. While China, in particular, has enjoyed rates of economic growth significantly above the world average, slowing economic growth rates may reduce the country's contribution to world trade growth, especially in view of deteriorating real estate property values. If economic growth declines in China, India and other countries in the Asia Pacific region, we may face decreases in shipping trade and demand. The level of imports to and exports from China may also be adversely affected by changes in political, economic, and social conditions (including a slowing of economic growth) or other relevant policies of the Chinese government, such as changes in laws, regulations or export and import restrictions, internal political instability, changes in currency policies, changes in trade policies and territorial or trade disputes. Furthermore, a slowdown in the economies of the United States or the European Union, or certain other Asian countries may also have adverse impacts on economic growth in the Asia Pacific region. Therefore, a negative change in the economic conditions (including any negative changes resulting from any pandemic) of any of these countries or elsewhere may reduce demand for dry bulk vessels and their associated charter rates, which could have a material adverse effect on our business, financial condition and operating results, as well as our prospects.

Regulations relating to ballast water discharge may adversely affect our revenues and profitability.

The IMO has imposed updated guidelines for ballast water treatment systems specifying the maximum amount of viable organisms allowed to be discharged from a vessel's ballast water. Depending on the date of the International Oil Pollution Prevention ('IOPP') renewal survey, existing vessels constructed before September 8, 2017 must comply with the updated D-2 Discharge Performance Standard ('D-2 standard') on or after September 8, 2019. For most vessels, compliance with the D-2 standard will involve installing on-board systems to treat ballast water and eliminate unwanted organisms. Ships constructed on or after September 8, 2017 are to comply with the D-2 standards on or after September 8, 2017.

Furthermore, United States regulations are currently changing. Although the 2013 Vessel General Permit ("VGP") program and U.S. National Invasive Species Act ("NISA") are currently in effect to regulate ballast discharge, exchange and installation, the Vessel Incidental Discharge Act ("VIDA"), which was signed into law on December 4, 2018, requires that the EPA develop national standards of performance for approximately 30 discharges, similar to those found in the VGP within two years. On October 26, 2020, the EPA published a Notice of Proposed Rulemaking for Vessel Incidental Discharge National Standards of Performance under VIDA. On October 18, 2023, the EPA published a supplemental notice of the proposed rule sharing new ballast water data received from the U.S. Coast Guard ("USCG") and providing clarification on the proposed rule. The public comment period for the proposed rule ended on December 18, 2023. Once EPA finalizes the rule (possibly by Fall 2024), USCG must develop corresponding implementation, compliance and enforcement regulations regarding ballast water within two years. While all our vessels are equipped with ballast water treatment system and we believe all our vessels are in compliance with the new regulations, any changes in such regulations could require the installation of new equipment may cause us to incur substantial costs.

Risks associated with operating ocean-going vessels could affect our business and reputation, which could have a material adverse effect on our operating results and financial condition.

The operation of ocean-going vessels carries inherent risks. These risks include the possibility of:

1. loss of life or harm to seafarers;
2. marine disaster;
3. terrorism;
4. piracy or robbery;
5. environmental accidents and pollution;
6. cargo and property losses and damage; and
7. business interruptions caused by mechanical failures, human error, war, armed conflicts, terrorist or piracy incidents, political action in various countries, labor strikes or adverse weather conditions.

Any of these circumstances or events could increase our costs or lower our revenues. The involvement of our vessels in an environmental disaster may harm our reputation as a safe and reliable dry bulk operator.

In addition, international shipping is subject to various security and customs inspection and related procedures in countries of origin and destination and trans-shipment points. Inspection procedures can result in the seizure of the cargo and/or our vessels, delays in the loading, offloading or delivery and the levying of customs duties, fines or other penalties against us. It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Furthermore, changes to inspection procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. Any such changes or developments may have a material adverse effect on our business, operating results, cash flows, financial condition and available cash.

Geopolitical conditions, such as political instability, terrorist or other attacks, war, international hostilities, economic sanctions restrictions, and global public health concerns, may affect the seaborne transportation industry and adversely affect our business.

We are an international shipping company that primarily conducts most of our operations outside the United States, and our business, results of operations, cash flows, financial condition and ability to pay dividends, if and when declared, in the future may be adversely affected by changing economic, political and government conditions in the countries and regions where our vessels are employed or registered. Moreover, we operate in a sector of the economy that is likely to be adversely impacted by the effects of political conflicts.

Currently, the world economy faces a number of challenges, including trade tensions between the United States and China, the armed conflict between Russia and Ukraine and a resultant severe worsening of Russia's relations with western economies, the slowing economic growth in China, continuing threat of terrorist attacks around the world, continuing instability and conflicts and other ongoing hostilities in the Middle East (such as recent maritime incidents in and around the Red Sea) and other geographic areas and countries.

In the past, political instability has also resulted in attacks on vessels, mining of waterways and other efforts to disrupt international shipping, particularly in the Arabian Gulf region, in and around the Red Sea with recent attacks on vessels which armed Houthi groups have claimed responsibility for in connection with the recent conflict in the Gaza Strip (these groups have stated that these attacks are a response to the Israel-Hamas conflict), and the Black Sea in connection with the recent conflict in Ukraine. Acts of terrorism and piracy have also affected vessels trading in regions such as the South China Sea and the Gulf of Aden off the coast of Somalia. Any of these occurrences could have a material adverse impact on our future performance, operating results, cash flows and financial position.

Beginning in February of 2022, President Biden and several European leaders announced various economic sanctions against Russia in connection with the aforementioned conflict in the Ukraine region, which may adversely impact our business.

The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces multiple authorities under which sanctions have been imposed on Russia, including: the Russian Harmful Foreign Activities sanctions program, established by the Russia-related national emergency declared in Executive Order (E.O.) 14024 and subsequently expanded and addressed through certain additional authorities, and the Ukraine-Russia-related sanctions program, established with the Ukraine-related national emergency declared in E.O. 13660 and subsequently expanded and addressed through certain additional authorities. The United States has also issued several Executive Orders that prohibit certain transactions related to Russia, including the importation of certain energy products of Russian Federation origin (including crude oil, petroleum, petroleum fuels, oils, liquefied natural gas and coal), and all new investments in Russian by U.S. persons, among other prohibitions and export controls. Furthermore, the United States has also prohibited a variety of specified services related to the maritime transport of Russian Federation origin crude oil and petroleum products, including trading/commodities brokering, financing, shipping, insurance (including reinsurance and protection and indemnity), flagging, and customs brokering. These prohibitions took effect on December 5, 2022 with respect to the maritime transport of crude oil and on February 5, 2023 with respect to the maritime transport of other petroleum products. An exception exists to permit such services when the price of the seaborne Russian oil does not exceed the relevant price cap; but implementation of this price exception relies on a recordkeeping and attestation process that allows each party in the supply chain of seaborne Russian oil to demonstrate or confirm that oil has been purchased at or below the price cap. Violations of the price cap policy or the risk that information, documentation, or attestations provided by parties in the supply chain are later determined to be false may pose additional risks adversely affecting our business. The ongoing conflict could result in the imposition of further economic sanctions or new categories of export restrictions against individuals in or connected to Russia. While in general much uncertainty remains regarding the global impact of the conflict in Ukraine, it is possible that such tensions could adversely affect the Company's business, financial condition, operating results and cash flows. For instance, on February 24, 2023, OFAC issued a new determination pursuant to Section 1(a)(i) of Executive Order 14024, which enables the imposition of sanctions on individuals and entities who operate or have operated in the metals and mining sector of the Russian economy. Increased restrictions on the metals and mining sector may pose additional risks adversely affecting our business.

While Ukraine continued to deploy a number of counter-attacks in 2023 and as of December 2023 held important areas in ground operations, after over two years of fighting Russia still maintains a foothold in a number of key cities and areas. The ongoing conflict could result in the imposition of further economic sanctions or new categories of export restrictions against persons in or connected to Russia. While in general much uncertainty remains regarding the global impact of the conflict in Ukraine, it is possible that such tensions could adversely affect the Company's business, financial condition, results of operation and cash flows. Our business could also be adversely impacted by trade tariffs, trade embargoes or other economic sanctions that limit trading activities by the United States or other countries against countries in the Middle East, Asia or elsewhere as a result of terrorist attacks, hostilities or diplomatic or political pressures, including as a result of the current conflict between Israel and Hamas.

Our business could also be adversely impacted by trade tariffs, trade embargoes or other economic sanctions that limit trading activities by the United States or other countries against countries in the Middle East, Asia or elsewhere as a result of terrorist attacks, hostilities or diplomatic or political pressures. Moreover, increasing trade protectionism may cause an increase in (a) the cost of goods exported from regions globally, (b) the length of time required to transport goods and (c) the risks associated with exporting goods. Such increases may significantly affect the quantity of goods to be shipped, shipping time schedules, voyage costs and other associated costs, which could have an adverse impact on our charterers' business, operating results and financial condition and could thereby affect their ability to make timely charter hire payments to us. This could have a material adverse effect on our business, financial condition and operating results.

In addition, public health threats, influenza and other highly communicable diseases or viruses, outbreaks of which have from time to time occurred in various parts of the world in which we operate, including China, Japan and South Korea, which may even become pandemics, could lead to a significant decrease of demand for the transportation of dry bulk cargoes. Such events may also adversely impact our operations, including timely rotation of our crews, the timing of completion of any outstanding or future repair works in drydock as well as the operations of our customers. Delayed rotation of crew may adversely affect the mental and physical health of our crew and the safe operation of our vessels as a consequence.

Outbreaks of epidemic and pandemic diseases and governmental responses thereto could adversely affect our business.

Our operations are subject to risks related to pandemics, epidemics or other infectious disease outbreaks and government responses thereto. COVID-19, which was initially declared a pandemic by the World Health Organization on March 11, 2020 and was declared no longer a global health emergency on May 5, 2023, negatively affected economic conditions, supply chains, labor markets, and demand for certain shipped goods both regionally and globally as a result of government efforts to combat the pandemic, including the enactment or imposition of travel bans, quarantines and other emergency public health measures.

The extent to which our business, the global economy and the dry bulk transportation industry may be negatively affected by future pandemics, epidemics or other outbreaks of infectious diseases is highly uncertain and will depend on numerous evolving factors that we cannot predict, including, but not limited to (i) the duration and severity of the infectious disease outbreak; (ii) the imposition of restrictive measures to combat the outbreak and slow disease transmission; (iii) the introduction of financial support measures to reduce the impact of the outbreak on the economy; (iv) volatility in the demand for and price of oil and gas; (v) shortages or reductions in the supply of essential goods, services or labor; and (vi) fluctuations in general economic or financial conditions tied to the outbreak, such as a sharp increase in interest rates or reduction in the availability of credit. We cannot predict the effect that an outbreak of a new COVID-19 variant or strain, or any future infectious disease outbreak, pandemic or epidemic may have on our business, results of operations and financial condition, which could be material and adverse. Organizations across industries, including ours, are rightly focusing on their employees' well-being, whilst making sure that their operations continue undisrupted and at the same time, adapting to the new ways of operating.

Our operating results are subject to seasonal fluctuations, which could affect our operating results.

We operate our vessels in markets that have historically exhibited seasonal variations in demand and, as a result, in charter hire rates. This seasonality may result in quarter-to-quarter volatility in our operating results. The dry bulk carrier market is typically stronger in the fall and winter months in anticipation of increased consumption of coal and other raw materials in the northern hemisphere during the winter months. In addition, unpredictable weather patterns in these months tend to disrupt vessel scheduling and supplies of certain commodities. As a result, our revenues may be weaker during the fiscal quarters ending June 30 and September 30, and, conversely, our revenues may be stronger in fiscal quarters ending December 31 and March 31. While this seasonality will not directly affect our operating results, it could materially affect our operating results to the extent our vessels are employed in the spot market in the future.

An increase in the price of fuel may adversely affect our operating results and cash flows.

While we generally do not bear the cost of fuel for vessels operating on time charters, fuel is a significant factor in negotiating charter rates and the largest expense in our shipping operations when our vessels are off-hire and/or idle. As a result, an increase in the price of fuel beyond our expectations may adversely affect our profitability as relevant circumstances may arise. The price and supply of fuel is unpredictable and fluctuates based on events outside our control, including geopolitical developments, supply and demand for oil and gas, actions by the Organization of Petroleum Exporting Countries (the "OPEC"), and other oil and gas producers, war and armed conflicts and other hostilities such as the ongoing conflict between Russia and the Ukraine and Israel and Hamas, the recent maritime incidents in and around the Red Sea, the unrest in oil producing countries and regions, regional production patterns and environmental concerns. Any future increase in the cost of fuel may reduce the profitability and competitiveness of our business versus other forms of transportation, such as truck or rail.

Indicatively, the price of high sulfur fuel and low sulfur fuel has increased significantly as a result of the urgence of the ongoing conflict between Russia and the Ukraine in 2022 but has since decreased as the market adapted to this ongoing conflict, although uncertainty regarding prices' future direction remains. Any increases to bunker costs for our vessels when off-hire and/or idle have, could have an adverse impact on our operating results and cash flows. This might lead to a decrease in the economic viability of older vessels that lack fuel efficiency and a reduction of useful lives of these vessels.

Worldwide inflationary pressures could negatively impact our results of operations and cash flows.

Over the course of 2022 and 2023, worldwide economies have experienced inflationary pressures, with price increases seen across many sectors globally, though showing signs of de-escalation in 2023 as compared with the previous year. The ongoing effects of inflation in the global economy generally and more specifically in the shipping industry, could result in increased operating, voyage and administrative costs for our vessels. Furthermore, the effects of inflation on the supply and demand of the products we transport could alter demand for our services. Interventions in the economy by central banks in response to inflationary pressures may slow down economic activity, including by altering consumer purchasing habits and reducing demand for the commodities and products we carry, and cause a reduction in trade. As a result, the volumes of goods we deliver and/or charter rates for our vessels may be affected. Any of these factors could have an adverse effect on our business, financial condition, cash flows and operating results.

We are subject to complex laws and regulations (including environmental standards such as IMO 2020, standards regulating ballast water discharge, etc.), including environmental regulations that can adversely affect the cost, manner or feasibility of doing business and our business, results of operations, cash flows and financial condition.

Our business and the operations of our vessels are materially affected by environmental regulation in the form of international conventions, national, state and local laws and regulations in force in the jurisdictions in which our vessels operate, as well as in the country or countries of their registration, including those governing the management and disposal of hazardous substances and wastes, the cleanup of oil spills and other contamination, air emissions (including greenhouse gases), water discharges and ballast water management. These regulations include, but are not limited to, European Union regulations, the U.S. Oil Pollution Act of 1990, requirements of the U.S. Coast Guard, or USCG and the U.S. Environmental Protection Agency, the U.S. Clean Air Act of 1970 (including its amendments of 1977 and 1990), the U.S. Clean Water Act, and the U.S. Maritime Transportation Security Act of 2002, and regulations of the IMO, including the International Convention on Civil Liability for Oil Pollution Damage of 1969, the International Convention for the Prevention of Pollution from Ships of 1973, as modified by the Protocol of 1978, collectively referred to as MARPOL 73/78 or MARPOL, including designations of Emission Control Areas, thereunder, SOLAS, the International Convention on Load Lines of 1966, the International Convention of Civil Liability for Bunker Oil Pollution Damage, and the ISM Code. Because such conventions, laws, and regulations are often revised, we cannot predict the ultimate cost of complying with such requirements or the impact thereof on the re-sale price or useful life of any vessel that we own or will acquire. Additional conventions, laws and regulations may be adopted that could limit our ability to do business or increase the cost of our doing business and which may materially adversely affect our operations. Government regulation of vessels, particularly in the areas of safety and environmental requirements, continue to change, requiring us to incur significant capital expenditures on our vessels to keep them in compliance, or even to scrap or sell certain vessels altogether. In addition, we may incur significant costs in meeting new maintenance and inspection requirements, in developing contingency arrangements for potential environmental violations and in obtaining insurance coverage.

In addition, we are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses, certificates, approvals and financial assurances with respect to our operations. Our failure to maintain necessary permits, licenses, certificates, approvals or financial assurances could require us to incur substantial costs or temporarily suspend operation of one or more of the vessels in our fleet, or lead to the invalidation or reduction of our insurance coverage.

Environmental requirements can also affect the resale value or useful lives of our vessels, require a reduction in cargo capacity, ship modifications or operational changes or restrictions, lead to decreased availability of insurance coverage for environmental matters or result in the denial of access to certain jurisdictional waters or ports, or detention in certain ports. Under local, national and foreign laws, as well as international treaties and conventions, we could incur material liabilities, including for cleanup obligations and natural resource damages, in the event that there is a release of petroleum or hazardous substances from our vessels or otherwise in connection with our operations. We could also become associated with our existing or historic operations. Violations of, or liabilities under, environmental requirements can result in substantial penalties, fines and other sanctions, including in certain instances, seizure or detention of our vessels.

Increased inspection procedures, tighter import and export controls and new security regulations could increase costs and disrupt our business.

International shipping is subject to various security and customs inspection and related procedures in countries of origin, destination and trans-shipment points. Under the U.S. Maritime Transportation Security Act of 2002 ("MTSA"), the U.S. Coast Guard issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States and at certain ports and facilities. These security procedures may result in cargo seizure, delays in the loading, offloading, trans-shipment or delivery and the levying of customs duties, fines or other penalties against us.

It is possible that changes to inspection procedures could impose additional financial and legal obligations on us. Changes to inspection procedures could also impose additional costs and obligations on our customers and may, in certain cases, render the shipment of certain types of cargo uneconomical or impractical. Any such changes or developments may have a material adverse effect on our business, customer relations, financial condition and earnings.

Operational risks and damage to our vessels could adversely impact our performance.

The operation of an ocean-going vessel carries inherent risks. Our vessels and their cargoes are at risk of being damaged or lost because of events such as marine disasters, bad weather and other acts of God, business interruptions caused by mechanical failures, grounding, fire, explosions and collisions, human error, war, armed conflicts, terrorism, piracy, labor strikes, boycotts and other circumstances or events. Changing economic, regulatory and political conditions in some countries, including political and military conflicts, have from time to time resulted in attacks on vessels, mining of waterways, piracy, terrorism, labor strikes and boycotts. Damage to the environment could also result from our operations, particularly through spillage of fuel, lubricants or other chemicals and substances used in operations, or extensive uncontrolled fires. These hazards may result in death or injury to persons, loss of revenues or property, the payment of ransoms, environmental damage, higher insurance rates, damage to our customer relationships and market disruptions, delay or rerouting, any of which may subject us to litigation. As a result, we could be exposed to substantial liabilities not recoverable under our insurances. Further, the involvement of our vessels in a serious accident could harm our reputation as a safe and reliable vessel operator and lead to a loss of business. Epidemics and other public health incidents may also lead to crew member illness, which can disrupt the operations of our vessels, or to public health measures, which may prevent our vessels from calling on ports or discharging cargo in the affected areas or in other locations after having visited the affected areas.

If our vessels suffer damage, they may need to be repaired at a shipyard. The costs for these repairs are unpredictable and may be substantial. We may have to pay drydocking costs that our insurance does not cover at all or in full. The loss of revenues while these vessels are being repaired and repositioned, as well as the actual cost of these repairs, may adversely affect our business and financial condition. In addition, space at shipyards is sometimes limited and not all shipyards are conveniently located. We may be unable to find space at a suitable shipyard or our vessels may be forced to travel to a shipyard that is not conveniently located relative to our vessels' positions. The loss of earnings while these vessels are forced to wait for space or to travel to more distant shipyards may adversely affect our business and financial condition.

The operation of dry bulk vessels has certain unique operational risks. With a dry bulk vessel, the cargo itself and its interaction with the vessel can be a risk. By their nature, dry bulk cargoes are often heavy, dense and easily shifted, and react badly to water exposure. In addition, dry bulk vessels are often subjected to battering treatment during unloading operations with grabs, jackhammers (to pry encrusted cargoes out of the hold), and small bulldozers. This treatment may cause damage to the dry bulk vessel. Dry bulk vessels damaged due to treatment during unloading procedures may be more susceptible to a breach at sea. Hull breaches in dry bulk vessels may lead to the flooding of their holds. If flooding occurs in the forward holds, the bulk cargo may become so waterlogged that the vessel's bulkheads may buckle under the resulting pressure leading to the loss of the dry bulk vessel. These risks may also impact the risk of loss of life or harm to our crew.

If we are unable to adequately maintain or safeguard our vessels, we may be unable to prevent these events. Any of these circumstances or events could negatively impact our business, financial condition or operating results. In addition, the loss of any of our vessels could harm our crew and our reputation as a safe and reliable vessel owner and operator.

If our vessels call on ports located in countries or territories that are the subject of sanctions or embargoes imposed by the U.S. government, the European Union, the United Nations, or other governmental authorities, it could lead to monetary fines or penalties and may adversely affect our reputation and the market for our securities.

None of our vessels called on ports located in countries or territories that are the subject of country-wide or territory-wide sanctions or embargoes imposed by the U.S. government or other applicable governmental authorities ("Sanctioned Jurisdictions") in 2023 in violation of applicable sanctions or embargo laws. Our contracts with our charterers may prohibit them from causing our vessels to call on ports located in sanctioned countries or territories or carrying cargo for entities that are the subject of sanctions. Although our charterers may, in certain causes, control the operation of our vessels, we have monitoring processes in place reasonably designed to ensure our compliance with applicable economic sanctions and embargo laws. Nevertheless, it remains possible that our charterers may cause our vessels to trade in violation of sanctions provisions without our consent. If such activities result in a violation of applicable sanctions or embargo laws, we could be subject to monetary fines, penalties, or other sanctions, and our reputation and the market for our common shares could be adversely affected.

The applicable sanctions and embargo laws and regulations of these different jurisdictions vary in their application and do not all apply to the same covered persons or proscribe the same activities. In addition, the sanctions and embargo laws and regulations of each jurisdiction may be amended to increase or reduce the restrictions they impose over time, and the lists of persons and entities designated under these laws and regulations are amended frequently. Moreover, most sanctions regimes provide that entities owned or controlled by the persons or entities designated in such lists are also subject to sanctions. The U.S. and EU have enacted new sanctions programs in recent years. Additional countries or territories, as well as additional persons or entities within or affiliated with those countries or territories, have, and in the future will, become the target of sanctions. These require us to be diligent in ensuring our compliance with sanctions laws. Further, the U.S. has increased its focus on sanctions enforcement with respect to the shipping sector. Current or future counterparties of ours may be affiliated with persons or entities that are or may be in the future the subject of sanctions or embargoes imposed by the United States, EU, and/or other international bodies. If we determine that such sanctions require us to terminate existing or future contracts to which we, or our subsidiaries, are party or if we are found to be in violation of such applicable sanctions, our operating results may be adversely affected, or we may suffer reputational harm.

As a result of Russia's actions in Ukraine, the U.S., EU and United Kingdom, together with numerous other countries and self-sanctioning, have imposed significant sanctions on persons and entities associated with Russia and Belarus, as well as comprehensive sanctions on certain areas within the Donbas region of Ukraine, and such sanctions apply to entities owned or controlled by such designated persons or entities. EU and countries, such as Canada and the United Kingdom, have also broadly prohibited Russian-affiliated vessels from entering their waters and/or ports. These sanctions adversely have altered trade patterns across the shipping industry and thus, affect our ability to operate in the region and also restrict parties whose cargo we may carry.

Although we believe that we have been in compliance with all applicable sanctions and embargo laws and regulations in 2023 and up to the date of this annual report, and intend to maintain such compliance, there can be no assurance that we or our charterers will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations. Any such violation could result in fines, penalties or other sanctions that could severely impact our ability to access U.S. capital markets and conduct our business and could result in our reputation and the markets for our securities to be adversely affected and/or in some investors deciding, or being required, to divest their interest, or not to invest, in us. In addition, certain institutional investors may have investment policies or restrictions that prevent them from holding securities of companies that have contracts with countries or territories identified by the U.S. government as state sponsors of terrorism. The determination by these investors not to invest in, or to divest from, our shares may adversely affect the price at which our shares trade. Moreover, our charterers may violate applicable sanctions and embargo laws and regulations as a result of actions that do not involve us or our vessels, and those violations could in turn negatively affect our reputation. In addition, our reputation and the market for our securities may be adversely affected if we engage in certain other activities, such as entering into charters with individuals or entities that are controlled by the governments of countries or territories that are the subject of certain U.S. sanctions or embargo laws, or engaging in operations associated with those countries or territories pursuant to contracts with third parties that are related to those countries or territories or entities controlled by their governments. Investor perception of the value of our common stock may be adversely affected by the consequences of war, the effects of terrorism, civil unrest and governmental actions in countries or territories that we operate in. Any of these factors could adversely affect our business, financial condition, and operating results.

The smuggling of drugs or other contraband onto our vessels may lead to governmental claims against us.

We expect that our vessels may call in ports in areas where smugglers attempt to hide drugs and other contraband on vessels, with or without the knowledge of crew members. To the extent our vessels are found with contraband, whether inside or attached to the hull of our vessel and whether with or without the knowledge of any of our crew, we may face governmental or other regulatory claims which could have an adverse effect on our business, operating results, cash flows and financial condition.

Maritime claimants could arrest or attack one or more of our vessels, which could interrupt our business or have a negative effect on our cash flows.

Crew members, suppliers of goods and services to a vessel, shippers of cargo, lenders, and other parties may be entitled to a maritime lien against a vessel for unsatisfied debts, claims or damages. In many jurisdictions, a maritime lien holder may enforce its lien by "arresting" or "attaching" a vessel through judicial or foreclosure proceedings. The arrest or attachment of one or more of our vessels could interrupt the cash flow of the charterer and/or require us to pay a significant amount of money to have the arrest or attachment lifted, which would have an adverse effect on our cash flows.

In addition, in some jurisdictions, such as South Africa, under the "sister-ship" theory of liability, a claimant may arrest both the vessel that is subject to the claimant's maritime lien and any "associated" vessel, which is any vessel owned or controlled by the same owner. Claimants could try to assert "sister-ship" liability against one vessel in our fleet for claims relating to another of our ships. Under most of our present charters, if the vessel is arrested or detained as a result of a claim against us, we may be in default of our charter and the charterer may terminate the charter upon the passage of a period specified in the charter agreement, which will negatively impact our revenues and cash flows.

We conduct business in China, where the legal system is not fully developed and has inherent uncertainties that could limit the legal protections available to us.

Some of our vessels may be chartered to Chinese customers and from time to time on our charterers' instructions, our vessels may call on Chinese ports. Such charters may be subject to regulations in China that may require us to incur new or additional compliance or other administrative costs and may require that we pay to the Chinese government new taxes or other fees. Applicable laws and regulations in China may not be well publicized and may not be known to us or to our charterers in advance of us or our charterers becoming subject to them, and the implementation of such laws and regulations may be inconsistent. Changes in Chinese laws and regulations, including with regards to tax matters, or changes in their implementation by local authorities could affect our vessels if chartered to Chinese customers as well as our vessels calling to Chinese ports and could have a material adverse impact on our business, financial condition and results of operations.

Governments could requisition our vessels during a period of war or emergency, resulting in a loss of earnings.

A government could requisition one or more of our vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes her owner, while requisition for hire occurs when a government takes control of a vessel and effectively becomes her charterer at dictated charter rates. Generally, requisitions occur during periods of war or emergency, although governments may elect to requisition vessels in other circumstances. Although we would be entitled to compensation in the event of a requisition of one or more of our vessels, the amount and timing of payment would be uncertain. Government requisition of one or more of our vessels may negatively impact our revenues and reduce the amount of cash we may have available for distribution as dividends to our shareholders, if any such dividends are declared.

Failure to comply with the U.S. Foreign Corrupt Practices Act could result in fines, criminal penalties and an adverse effect on our business.

We may operate in a number of countries throughout the world, including countries suspected to have a risk of corruption. We are committed to doing business in accordance with applicable anti-corruption laws and have adopted measures designed to ensure compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"). We are subject, however, to the risk that we, our affiliated entities or our or their respective officers, directors, employees and agents may take actions determined to be in violation of such anti-corruption laws, including the FCPA. Any such violation could result in substantial fines, sanctions, civil and/or criminal penalties, curtailment of operations in certain jurisdictions, and might adversely affect our business, earnings or financial condition. In addition, actual or alleged violations could damage our reputation and ability to do business. Furthermore, detecting, investigating, and resolving actual or alleged violations is expensive and can consume significant time and attention of our senior management.

Changing laws and evolving reporting requirements could have an adverse effect on our business.

Changing laws, regulations and standards relating to reporting requirements, including the European Union General Data Protection Regulation, or GDPR, may create additional compliance requirements for us. GDPR broadens the scope of personal privacy laws to protect the rights of European Union citizens and requires organizations to report on data breaches within 72 hours and be bound by more stringent rules for obtaining the consent of individuals on how their data can be used. GDPR has become enforceable on May 25, 2018 and non-compliance may expose entities to significant fines or other regulatory claims which could have an adverse effect on our business, financial condition, and operations.

Risks Relating to our Company

A decline in the market values of our vessels could limit our ability to borrow funds in the future, trigger breaches of certain financial covenants contained in any future borrowing facilities we may enter into, and/or result in impairment charges or losses on sale.

The market values of our vessels, have generally experienced high volatility in recent years. While the market values of vessels and the dry bulk charter market have a very close relationship as the charter market moves from trough to peak, the time lag between the effect of charter rates on market values of ships can vary, and sometimes, values can be to a greater or lesser extent affected by the respective move in charter rates.

The market values of our vessels fluctuate depending on a number of factors, including:

1. the prevailing level of charter rates;
2. general economic and market conditions affecting the shipping industry;
3. competition from other shipping companies and other modes of transportation;
4. the types, sizes and ages of vessels;
5. the supply of and demand for vessels;
6. applicable governmental or other regulations;
7. technological advances;
8. the need to upgrade vessels as a result of charterer requirements, technological advances in vessel design or equipment or otherwise; and
9. the cost of newbuildings.

If the market value of our vessels decline, we may not be able to comply with certain covenants contained in any future loan facilities we enter into and we may not be able to incur debt on terms that are acceptable to us or at all or to refinance any debt we may have in the future.

Furthermore, if we sell any of our owned vessels at a time when prices are depressed, our business, operating results, cash flow and financial condition could be adversely affected. Moreover, if we sell a vessel at a time when vessel prices have fallen and before we have recorded an impairment adjustment to our financial statements, the sale may be at less than the vessel's carrying amount in our financial statements, resulting in a loss and a reduction in earnings. In addition, if vessel values decline, we may have to record an impairment adjustment in our financial statements which could adversely affect our financial results.

We charter our vessels on time charter trips with short to medium duration in a volatile shipping industry and a decline in charter hire rates could affect our results of operations and our ability to pay dividends.

Although significant exposure to time charter trips with short to medium duration is not unusual in the dry bulk shipping industry, the time charter market is highly competitive and spot market charter hire rates (which affect time charter rates) may fluctuate significantly based upon available charters and the supply of, and demand for, seaborne shipping capacity. While the short-term to medium-term time charter market may enable us to benefit in periods of increasing charter hire rates, we must consistently renew our charters and this dependence makes us vulnerable to declining charter rates. As a result of the volatility in the dry bulk carrier charter market, we may not be able to employ our vessels upon the termination of their existing charters at favorable charter hire rates or at all. The dry bulk carrier charter market is volatile, and in the recent past, charter market rates for time charter trips with short to medium duration and spot voyages for some dry bulk carriers declined below the operating costs of those vessels before rising. We cannot assure you that future charter hire rates will enable us to operate our vessels profitably, or to pay dividends, if and when declared.

We may not be able to execute our growth strategy and we may not realize the benefits we expect from past acquisitions or future acquisitions or other strategic transactions.

As our business grows, we intend to acquire additional vessels from related or unaffiliated parties. Our future growth will primarily depend upon a number of factors, some of which may not be within our control. These factors include our ability to:

- identify suitable vessels and/or shipping companies for acquisitions at attractive prices;
- realize anticipated benefits, such as new customer relationships, cost-savings or cash flow enhancements from past acquisitions;
- obtain required financing for our existing and new operations;
- integrate any acquired vessels, assets or businesses successfully with our existing operations, including obtaining any approvals and qualifications necessary to operate vessels that we acquire;
- ensure, either directly or through our managers, that an adequate supply of qualified personnel and crew are available to manage and operate our growing business and fleet;
- improve our operating, financial and accounting systems and controls; and
- cope with competition from other companies, many of which have significantly greater financial resources than we do and may reduce our acquisition opportunities or cause us to pay higher prices.

A failure to effectively identify, acquire, develop and integrate any vessels could adversely affect our business, financial condition, investor sentiment and operating results. Finally, acquisitions may require additional equity issuances, which may dilute our common shareholders if issued at lower prices than the price they acquired their shares, or debt issuances (with amortization payments), both of which could lower our available cash. If any such events occur, our financial condition may be adversely affected.

We operate secondhand vessels with an age above the industry average which may lead to increased technical problems for our vessels, higher operating expenses, affect our ability to finance and profitably charter our vessels, to comply with environmental standards and future maritime regulations and result in a more rapid deterioration in our vessels' market and book values.

Our current fleet consists only of secondhand vessels. While we have inspected our vessels and we intend to inspect any potential future vessel acquisition, this does not provide us with the same knowledge about its condition that we would have had if the vessel had been built for and operated exclusively by us. Generally, purchasers of secondhand vessels do not receive the benefit of warranties from the builders for the secondhand vessels that they acquire.

Our fleet consists of five vessels in operation, having a combined carrying capacity of 572,599 dwt and a weighted average age of 19.0 years as of the date of this annual report. In general, the cost of maintaining a vessel in good operating condition and operating it increases with the age of the vessel, because, amongst other things:

- as our vessels age, typically, they become less fuel-efficient and more costly to maintain than more recently constructed vessels due to improvements in design, engineering, technology and due to increased maintenance requirements;

- cargo insurance rates increase with the age of a vessel, making our vessels more expensive to operate;

- governmental regulations, environmental and safety or other equipment standards related to the age of vessels may also require expenditures for alterations or the addition of new equipment to our vessels and may restrict the type of activities in which our vessels may engage.

Charterers may also have age restrictions on the vessels they charter and in the past, have actively discriminated against chartering older vessels, which may result to a lower utilization of our vessels resulting to lower revenues. Our charterers have a high and increasing focus on quality and compliance standards with their suppliers across the entire supply chain, including the shipping and transportation segment. Our continued compliance with these standards and quality requirements is vital for our operations. The charter rates and the value and operational life of a vessel are determined by a number of factors including the vessel's efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy and the ability to load and discharge cargo quickly. Flexibility includes the ability to enter harbors, operate in extreme climates, utilize related shipyards and pass-through canals and straits. The length of a vessel's physical life is related to its original design and construction, its maintenance and the impact of the stress of operations.

Due to the age of our fleet, we may not be able to obtain external financing at reasonable terms or at all as our vessels may be seen as less valuable collateral.

We face competition from companies with more modern vessels with more fuel-efficient designs than our vessels (''eco-vessels''). If new vessels are built that are more efficient or more flexible or have longer physical lives than even the current eco-vessels, competition from the current eco-vessels and any more technologically advanced vessels could adversely affect the amount of charter payments we receive for our vessels once their charters expire and the resale value of our vessels could significantly decrease.

We cannot assure you that, as our vessels age, market conditions will justify expenditures to maintain or update our vessels or enable us to operate our vessels profitably during the remainder of their useful lives or that we will be able to finance the acquisition of new vessels at the time that we retire or sell our aging vessels. This could have a material adverse effect on our business, financial condition and operating results.

We and certain of our principal officers and directors have affiliations with Diana Shipping Inc. ("Diana Shipping"), Steamship Shipbroking Enterprises Inc. ("Steamship") and Diana Wilhelmsen Management Limited ("DWM") that could create conflicts of interest detrimental to us.

Certain of our principal officers and directors are also principals, officers and employees of Diana Shipping, Steamship and DWM. These responsibilities and relationships could create conflicts of interest between us and Diana Shipping, Steamship or DWM. Conflicts may also arise in connection with the chartering, purchase, sale and operations of the vessels in our fleet versus other vessels that are or may be managed in the future by Steamship or DWM and that are owned by Diana Shipping. While we have entered into a non-competition agreement with Diana Shipping, we cannot assure you that such agreement will successfully address all potential conflicts of interest that arise or that all conflicts will be resolved in our favor. Circumstances in any of these instances may make one decision advantageous to us but detrimental to Diana Shipping, Steamship or DWM, and vice versa.

Companies affiliated with Diana Shipping or Steamship or with our officers and directors, may acquire vessels that compete with our fleet.

Diana Shipping and other entities affiliated with Diana Shipping, or with our officers and directors, own dry bulk vessels and may acquire additional dry bulk vessels in the future. These vessels could be in competition with our fleet, and other companies affiliated with Diana Shipping or Steamship might be faced with conflicts of interest with respect to their own interests and their obligations to us. We cannot assure you that such conflicts will be resolved in our favor.

Certain of our officers and directors participate in business activities not associated with us, and do not devote all of their time to our business, which may create conflicts of interest and hinder our ability to operate successfully.

Our officers and directors have fiduciary duties to manage our business in a manner beneficial to us and our shareholders. However, our Chairperson and Director, Mrs. Semiramis Paliou, also serves as Chief Executive Officer and a Director of Diana Shipping; our Director, Mr. Eleftherios Papatrifon, also serves as a Director of Diana Shipping; our Director, Mr. Ioannis Zafirakis, also serves as Chief Strategy Officer, Chief Financial Officer, Treasurer and a Director of Diana Shipping; and our Chief Corporate Development and Governance Officer and Secretary, Ms. Margarita Veniou, also serves as Chief Corporate Development, Governance & Communications Officer of Diana Shipping. Mrs. Paliou, Mr. Papatrifon and Mr. Zafirakis also serve on our Executive Committee. As a result, Mrs. Paliou, Mr. Papatrifon, Mr. Zafirakis and Ms. Veniou have fiduciary duties to manage the business of Diana Shipping and its affiliates in a manner beneficial to such entities and their shareholders. Consequently, they may encounter situations in which their fiduciary obligations to Diana Shipping and us are in conflict. We use our best efforts to cause compliance with all applicable laws and regulations in addressing such conflicts of interest. Certain of our executive officers and certain of our directors participate in business activities not associated with us and are not required to work full-time on our affairs. Our executive officers may devote less time to us than if they were not engaged in other business activities and may owe fiduciary duties to the shareholders of other companies with which they may be affiliated, including Diana Shipping. Their other business activities may create conflicts of interest in matters involving or affecting us and our customers and it is not certain that any of these conflicts of interest will be resolved in our favor. This could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We depend entirely on DWM and Steamship to provide the management of our fleet. The termination of our arrangements with DWM or Steamship, or DWM's or Steamship's failure to perform their obligations under our management agreements with them, may temporarily adversely affect our operations.

Our operational success and ability to execute our growth strategy depends significantly upon the satisfactory and continued performance of these services by our managers, as well as their reputations. DWM or Steamship may fail to perform their obligations to us or may terminate their management agreements with us other than in accordance with the terms of our management agreements with them, either of which could adversely affect our operations during the process of identifying a replacement for DWM or Steamship (as applicable) and have a material adverse effect on our financial condition and results of our operations.

Rising crew costs could adversely affect our results of operations.

Due to an increase in the size of the global shipping fleet, the limited supply of and increased demand for crew has created upward pressure on crew costs. Continued higher crew costs or further increases in crew costs could adversely affect our results of operations.

A cyber-attack could materially disrupt our business.

We rely on information technology systems and networks in our operations and administration of our business. Information systems are vulnerable to security breaches by computer hackers and cyber terrorists. We rely on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems. However, these measures and technology may not adequately prevent security breaches. Our business operations could be targeted by individuals or groups seeking to sabotage or disrupt our information technology systems and networks, or to steal data. A successful cyber-attack could materially disrupt our operations, including the safety of our operations, or lead to unauthorized release of information or alteration of information in our systems. Any such attack or other breach of our information technology systems could have a material adverse effect on our business and results of operations. In addition, the unavailability of the information systems or the failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased operating costs, causing our business and results of operations to suffer. Any significant interruption or failure of our information systems or any significant breach of security could adversely affect our business and results of operations.

Moreover, our risk of cyber-attacks and other sources of security breaches and incidents may be elevated as a result of the ongoing conflicts between Russia and Ukraine and Israel-Hamas. To the extent such attacks have collateral effects on global critical infrastructure or financial institutions, such developments could adversely affect our business, operating results and financial condition. At this time, it is difficult to assess the likelihood of such threat and any potential impact.

In July 2023, the SEC adopted amendments to its rules on cybersecurity risk management, strategy, governance, and incident disclosure. The amendments require us to report material cybersecurity incidents involving our information systems and periodic reporting regarding our policies and procedures to identify and manage cybersecurity risks, amongst other disclosures. For more information, please refer to Item “16K. Cybersecurity”, of this annual report.

Climate change and greenhouse gas restrictions may adversely impact our operations and markets.

Due to concern over the risk of climate change, a number of countries and the IMO have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. These regulatory measures may include, among others, adoption of cap and trade regimes, carbon taxes, increased efficiency standards and incentives or mandates for renewable energy. In July 2023, nations at the International Maritime Organization’s Marine Environment Protection Committee (“MEPC”) updated the initial strategy to reduce greenhouse gas emissions from ships. The initial strategy identifies —levels of ambition to reducing greenhouse gas emissions, including (1) decreasing the carbon intensity from ships through implementation of further phases of the EEDI for new ships; (2) reducing carbon dioxide emissions per transport work, as an average across international shipping, by at least 20% by 2030, compared to 2008 emission levels; and (3) reducing the total annual greenhouse emissions by at least 70% by 2040 compared to 2008 while pursuing efforts towards phasing them out entirely.

Since January 1, 2020, ships have to either remove sulfur from emissions or buy fuel with low sulfur content, which may lead to increased costs and supplementary investments for ship owners. The interpretation of “fuel oil used on board” includes use in main engine, auxiliary engines and boilers. Shipowners may comply with this regulation by (i) using 0.5% sulfur fuels on board, which are available around the world but at a higher cost; (ii) installing scrubbers for cleaning of the exhaust gas; or (iii) by retrofitting vessels to be powered by liquefied natural gas, which may not be a viable option due to the lack of supply network and high costs involved in this process. Costs of compliance with these regulatory changes may be significant and may have a material adverse effect on our future performance, results of operations, cash flows and financial position. In order to comply with the sulfur cap regulation issued on January 1, 2020, related to the control of sulfur in the emissions, our vessels are currently using very low sulfur fuel oil with less than 0.5% sulfur.

In addition, although the emissions of greenhouse gases from international shipping currently are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which required adopting countries to implement national programs to reduce emissions of certain gases, or the Paris Agreement (discussed further below), a new treaty may be adopted in the future that includes restrictions on shipping emissions. Compliance with changes in laws, regulations and obligations relating to climate change could increase our costs related to operating and maintaining our vessels and require us to install new emission controls, acquire allowances or pay taxes related to our greenhouse gas emissions or administer and manage a greenhouse gas emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

Increasing scrutiny and changing expectations from investors, banks, and other market participants with respect to our Environmental, Social and Governance ("ESG") policies may impose additional costs on us or expose us to additional risks.

Companies across all industries are facing increasing scrutiny relating to their ESG policies. Investor advocacy groups, certain institutional investors, investment funds, banks and other market participants are increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. Companies which do not adapt to or comply with investor, lender or other industry shareholder expectations and standards, which are evolving, or which are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, may suffer from reputational damage and the business, financial condition, and/or stock price of such a company could be materially and adversely affected.

In February 2021, the Acting Chair of the U.S. Securities and Exchange Commission (the "SEC") issued a statement directing the Division of Corporation Finance to enhance its focus on climate-related disclosure in public company filings and in March 2021 the SEC announced the creation of a Climate and ESG Task Force in the Division of Enforcement (the "Task Force"). The Task Force's goal is to develop initiatives to proactively identify ESG-related misconduct consistent with increased investor reliance on climate and ESG-related disclosure and investment. To implement the Task Force's purpose, the SEC has taken several enforcement actions, with the first enforcement action taking place in May 2022, and proposed new rules. On March 21, 2022, the SEC proposed that all public companies are to include extensive climate-related information in their SEC filings. On May 25, 2022, SEC proposed a second set of rules aiming to curb the practice of "greenwashing" (i.e., making unfounded claims about one's ESG efforts) and would add proposed amendments to rules and reporting forms that apply to registered investment companies and advisers, advisers exempt from registration, and business development companies. On March 6, 2024, the SEC adopted final rules to require registrants to disclose certain climate-related information in SEC filings of all public companies. The final rules require companies to disclose, among other things: material climate-related risks; activities to mitigate or adapt to such risks; information about the registrant's board of directors' oversight of climate-related risks and management's role in managing material climate-related risks; and information on any climate-related targets or goals that are material to the registrant's business, results of operations, or financial condition. Further, to facilitate investors' assessment of certain climate-related risks, the final rules require disclosure of Scope 1 and/or Scope 2 greenhouse gas (GHG) emissions on a phased-in basis when those emissions are material; the filing of an attestation report covering the required disclosure of such registrants' Scope 1 and/or Scope 2 emissions, also on a phased-in basis; and disclosure of the financial statement effects of severe weather events and other natural conditions including, for example, costs and losses. The final rules include a phased-in compliance period for all registrants, with the compliance date dependent on the registrant's filer status and the content of the disclosure. However, on March 15, 2024, the U.S. Court of Appeals for the Fifth Circuit granted an administrative stay on the SEC's recent climate disclosure rule.

We may face increasing pressures from investors, future lenders and other market participants, who are increasingly focused on climate change, to prioritize sustainable energy practices, reduce our carbon footprint and promote sustainability. As a result, we may be required to implement more stringent ESG procedures or standards so that our existing and future investors and lenders remain invested in us and make further investments in us. If we do not meet these standards, our business and/or our ability to access capital could be harmed.

Additionally, certain investors and lenders may exclude companies, such as us, from their investing portfolios altogether due to environmental, social and governance factors. These limitations in both the debt and equity capital markets may affect our ability to grow as our plans for growth may include accessing the equity and debt capital markets. If those markets are unavailable, or if we are unable to access alternative means of financing on acceptable terms, or at all, we may be unable to implement our business strategy, which would have a material adverse effect on our financial condition and results of operations and impair our ability to service our then indebtedness, if any. Further, it is likely that we will incur additional costs and require additional resources to monitor, report and comply with wide ranging ESG requirements. The occurrence of any of the foregoing could have a material adverse effect on our business and financial condition.

The Public Company Accounting Oversight Board inspection of our independent accounting firm could lead to findings in our auditors' reports and challenge the accuracy of our published audited consolidated financial statements.

Auditors of U.S. public companies are required by law to undergo periodic Public Company Accounting Oversight Board, or PCAOB, inspections that assess their compliance with U.S. law and professional standards in connection with performance of audits of financial statements filed with the SEC. For several years certain European Union countries, including Greece, did not permit the PCAOB to conduct inspections of accounting firms established and operating in such European Union countries, even if they were part of major international firms. Accordingly, unlike for most U.S. public companies, the PCAOB was prevented from evaluating our auditor's performance of audits and its quality control procedures, and, unlike stockholders of most U.S. public companies, we and our stockholders were deprived of the possible benefits of such inspections. Since 2015, Greece has agreed to allow the PCAOB to conduct inspections of accounting firms operating in Greece. In the future, such PCAOB inspections could result in findings in our auditors' quality control procedures, question the validity of the auditor's reports on our published consolidated financial statements and the effectiveness of our internal control over financial reporting, and cast doubt upon the accuracy of our published audited financial statements.

Purchasing and operating secondhand vessels may result in increased operating costs and reduced operating days, which may adversely affect our earnings.

As part of our current business strategy to increase our fleet, we may build new or acquire secondhand vessels. While we rigorously inspect secondhand vessels prior to purchase, this does not provide us with the same knowledge about their condition and cost of any required (or anticipated) repairs that we would have had if these vessels had been built for and operated exclusively by us. Accordingly, we may not discover defects or other problems with secondhand vessels prior to purchasing or chartering-in or may incur costs to terminate a purchase agreement. Any such hidden defects or problems may require us to put a vessel into extensive repairs or drydock, which would reduce our average fleet utilization and increase our operating costs. If a hidden defect or problem is not detected, it may result in accidents or other incidents for which we may become liable to third parties.

In general, the costs to maintain a vessel in good operating condition increase with the age of the vessel. Older vessels are typically less fuel-efficient than more recently constructed vessels due to improvements in engine technology. Cargo insurance rates increase with the age of a vessel, making older vessels less desirable to charterers.

Furthermore, governmental regulations, safety or other equipment standards related to the age of vessels may require expenditures for alterations, or the addition of new equipment and may restrict the type of activities in which the vessel may engage. As our vessels age, market conditions may not justify those expenditures or enable us to operate our vessels profitably during the remainder of their useful lives.

We are subject to certain risks with respect to our counterparties on contracts, and failure of such counterparties to meet their obligations could cause us to suffer losses or otherwise adversely affect our business.

We have entered into, and may enter into in the future, various contracts, including, among other things, charter agreements, management agreements, shipbuilding contracts and credit facilities. Such agreements subject us to counterparty risks. The ability and willingness of each of our counterparties to perform its obligations under a contract with us will depend on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the maritime and offshore industries, the overall financial condition of the counterparty, charter rates received for specific types of vessels, and various expenses. For example, the combination of a reduction of cash flow resulting from a decline in world trade and the lack of availability of debt or equity financing may result in a significant reduction in the ability of our charterers to make payments to us. In addition, in depressed market conditions, our charterers and customers may no longer need a vessel that is then under charter or contract or may be able to obtain a comparable vessel at lower rates. As a result, charterers and customers may seek to renegotiate the terms of their existing charter agreements or avoid their obligations under those contracts. As a result, this may have a significant impact on our revenues due to our concentrated customer base, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Should a counterparty fail to honor its obligations under agreements with us, we could sustain significant losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In the highly competitive international shipping industry, we may not be able to compete for charters with new entrants or established companies with greater resources, and as a result, we may be unable to employ our vessels profitably.

The operation of dry bulk vessels and transportation of dry bulk cargoes is extremely competitive and fragmented. Competition for the transportation of dry bulk cargoes by sea is intense and depends on price, location, size, age, condition and the acceptability of the vessel and its operators to the charterers. Competition arises primarily from other vessel owners, some of whom have substantially greater resources than we do. Due in part to the highly fragmented market, competitors with greater resources than us could enter the dry bulk shipping industry and operate larger fleets through consolidations or acquisitions and may be able to offer lower charter rates and more modern vessels than we are able to offer. If we are unable to successfully compete with other dry bulk shipping companies, our results of operations may be adversely impacted.

We may be unable to retain and recruit qualified key executives, key employees or key consultants, which may delay our development efforts or otherwise harm our business.

Our future development and prospects depend to a large degree on the experience, performance and continued service of our senior management team. Retention of these services or the identification of suitable replacements in case of future vacancies cannot be guaranteed. There can be no guarantee that the services of the current directors and senior management team will be retained, or that suitably skilled and qualified individuals can be identified and employed, which may adversely impact our ability to commercial and financial performance. The loss of the services of any of the directors or other members of the senior management team and the costs of recruiting replacements may have a material adverse effect on our commercial and financial performance as well. If we are unable to hire, train and retain such personnel in a timely manner, our operations could be delayed and our ability to grow our business will be impaired and the delay and inability may have a detrimental effect upon our performance.

Technological innovation and quality and efficiency requirements from our customers could reduce our charter income and the value of our vessels.

Our customers have a high and increasing focus on quality and compliance standards with their suppliers across the entire supply chain, including the shipping and transportation segment. Our continued compliance with these standards and quality requirements is vital for our operations. The charter rates and the value and operational life of a vessel are determined by a number of factors including the vessel's efficiency, operational flexibility and physical life. Efficiency includes speed, fuel economy and the ability to load and discharge cargo quickly. Flexibility includes the ability to enter harbors, utilize related shipyards and pass through canals and straits. The length of a vessel's physical life is related to its original design and construction, its maintenance and the impact of the stress of operations. We face competition from companies with more modern vessels having more fuel efficient designs than our vessels, or eco vessels, and if new dry bulk vessels are built that are more efficient or more flexible or have longer physical lives than the current eco vessels, competition from the current eco vessels and any more technologically advanced vessels could adversely affect the amount of charter payments we receive for our vessels and the resale value of our vessels could significantly decrease. Similarly, technologically advanced vessels are needed to comply with environmental laws, the investment in which, along with the foregoing, could have a material adverse effect on our results of operations, charter hire payments and resale value of vessels. This could have an adverse effect on our results of operations, cash flows, financial condition and ability to pay dividends, if and when declared.

We may not have adequate insurance to compensate us if we lose our vessels or to compensate third parties.

We procure insurance for our fleet against risks commonly insured by vessel owners and operators. Our current insurance includes hull and machinery insurance, war risk insurance, protection and indemnity insurance (which includes environmental damage and pollution insurance) and freight, demurrage and defense insurance. We procure insurance for our vessels against those risks that we believe the shipping industry commonly insures against. Despite the above policies, we may not be insured in amounts sufficient to address all risks and we or an intermediary may not be able to obtain adequate insurance coverage for our vessels in the future or may not be able to obtain certain coverage at reasonable rates. Even if our insurance coverage is adequate to cover our losses, we may not be able to timely obtain a replacement vessel in the event of a total loss. We may also be subject to calls, or premiums, in amounts based not only on our own claim records but also the claim records of all other members of the protection and indemnity associations through which we receive indemnity insurance coverage for tort liability. Our insurance policies also contain deductibles, limitations and exclusions which, although we believe are standard in the shipping industry, may nevertheless increase our costs. Any of these factors could have a material adverse effect on our financial condition.

We are exposed to U.S. dollar and foreign currency fluctuations and devaluations that may adversely affect our results of operations.

We generate all of our revenues in U.S. dollars and most of our expenses are in U.S. dollars. Although our expenses are not significantly affected by fluctuations in exchange rates, they may be affected in the future and this could affect the amounts of net income that we report in future periods. While we historically have not mitigated the risk associated with exchange rate fluctuations through the use of financial derivatives, we may employ such instruments from time to time in the future in order to minimize any such risk. Our use of financial derivatives would involve certain risks, including the risk that losses on a hedged position could exceed the nominal amount invested in the instrument and the risk that the counterparty to the derivative transaction may be unable or unwilling to satisfy its contractual obligations, which could have an adverse effect on our financial condition and results of operations.

We depend upon a few significant customers for a large part of our revenues and the loss of one or more of these customers could adversely affect our operating results and financial performance.

Historically, a small number of charterers have accounted for a significant part of our revenues. Indicatively, for 2023 and 2022, we derived 51% and 57%, respectively, of our consolidated operating revenues from three and four charterers, respectively. Our charters may be terminated early due to certain events, such as a client's failure to make payments to us because of financial inability, disagreements with us or otherwise. The ability of each of our counterparties to perform their obligations under a charter with us depends on a number of factors that are beyond our control and may include, among other things, general economic conditions, the condition of the shipping industry, prevailing prices for the commodities and products which we transport and the overall financial condition of the counterparty. Should a counterparty fail to honor its obligations under an agreement with us, we may be unable to realize revenue under that charter and could sustain losses. In addition, if we lose an existing client, it may be difficult for us to promptly replace the revenue we derived from that counterparty. Any of these factors could have a material adverse effect on our business, financial condition, cash flows and operating results.

We are an "emerging growth company" and we cannot be certain that the reduced disclosure and other requirements applicable to emerging growth companies will not make our common shares less attractive to investors.

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act ("JOBS Act"), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. We cannot predict if investors will find our common shares less attractive because we may rely on these exemptions. If some investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and our share price may be more volatile.

In addition, under the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley") for so long as we are an emerging growth company.

For as long as we take advantage of the reduced reporting obligations, the information that we provide our shareholders may be different from information provided by other public companies. We are choosing to "opt out" of the extended transition period relating to the exemption from new or revised financial accounting standards and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth public companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

We will remain an emerging growth company until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenue exceeds $1.235 billion; (ii) the last day of the fiscal year during which the fifth anniversary of the date of the IPO occurs; (iii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock that are held by nonaffiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter; or (iv) the date on which we have issued more than $1 billion in non-convertible debt securities during any three-year period. Once we lose emerging growth company status, we expect the costs and demands placed upon our management to increase, as we will be required to comply with additional disclosure and accounting requirements. In addition, management time and attention, as well as the engagement of our auditors and/or other consultants, will be required in order for us to prepare to comply with the increased disclosure and accounting standards required of companies who are not emerging growth companies, most notably compliance with Section 404 of the Sarbanes-Oxley Act and related auditor attestation requirements.

We are a holding company, and we depend on the ability of our subsidiaries to distribute funds to us in order to satisfy our financial obligations.

We are a holding company, and our subsidiaries conduct all of our operations and own all of our operating assets. We have no significant assets other than the equity interests in our subsidiaries. As a result, our ability to satisfy our obligations depends on our subsidiaries and their ability to distribute funds to us. If we are unable to obtain funds from our subsidiaries, we may not be able to satisfy our obligations.

We hold a minority interest in certain transactions and our views about the operations of those vessels may differ from our partners and adversely affect our interest in the investment.

We agreed to invest, as a minority interest holder, in the construction of two methanol-ready, stainless steel chemical tankers. As a minority interest holder in this investment, our partners may have interests that are different from ours which may result in conflicting views as to the operation the vessels and we may not be able to control the operation of these vessels when delivered or otherwise operate the company in which we have invested in a manner that we believe to be most profitable to its equity holders. However, there can be no assurance that we will complete this investment successfully or identify any similar successful opportunities in the future.

In addition, although we do not expect to initially control the commercial or technical management of the stainless-steel chemical tankers that we have agreed to invest in, to the extent that we do manage them in the future, our management does not have experience managing tanker vessels and we may not be successful in operating the vessels.

Because we are organized under the laws of the Marshall Islands, it may be difficult to serve us with legal process or enforce judgments against us, our directors or our management.

We are organized under the laws of the Marshall Islands, and substantially all of our assets are located outside of the United States. In addition, the majority of our directors and officers are non-residents of the United States, and all or a substantial portion of the assets of these non-residents are located outside the United States. As a result, it may be difficult or impossible for someone to bring an action against us or against these individuals in the United States if they believe that their rights have been infringed under securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Marshall Islands and of other jurisdictions may prevent or restrict them from enforcing a judgment against our assets or the assets of our directors or officers.

The international nature of our operations may make the outcome of any bankruptcy proceedings difficult to predict.

We are incorporated under the laws of the Republic of the Marshall Islands and we conduct operations in countries around the world. Consequently, in the event of any bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceeding involving us or any of our subsidiaries, bankruptcy laws other than those of the United States could apply. If we become a debtor under U.S. bankruptcy law, bankruptcy courts in the United States may seek to assert jurisdiction over all of our assets, wherever located, including property situated in other countries. There can be no assurance, however, that we would become a debtor in the United States, or that a U.S. bankruptcy court would be entitled to, or accept, jurisdiction over such a bankruptcy case, or that courts in other countries that have jurisdiction over us and our operations would recognize a U.S. bankruptcy court's jurisdiction if any other bankruptcy court would determine it had jurisdiction.

If we expand our business further, we may need to improve our operating and financial systems and will need to recruit suitable employees and crew for our vessels.

Our current operating and financial systems may not be adequate if we further expand the size of our fleet and our attempts to improve those systems may be ineffective. In addition, if we expand our fleet further, we will need to recruit suitable additional seafarers and management personnel. While we have not experienced any difficulty in recruiting to date, we cannot guarantee that we will be able to continue to hire suitable employees if we expand our fleet. If we or our crewing agents encounter business or financial difficulties, we may not be able to adequately staff our vessels. If we are unable to grow our financial and operating systems or to recruit suitable employees, should we determine to expand our fleet, our financial performance may be adversely affected, among other things.

We may be subject to United States federal income tax on United States source income, which may reduce our earnings.

Under the United States Internal Revenue Code of 1986, as amended (the "Code"), 50% of the gross shipping income of a vessel owning or chartering corporation, such as ourselves and our subsidiaries, that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States may be subject to a 4% United States federal income tax without allowance for deduction, unless that corporation qualifies for exemption from tax under Section 883 of the Code and the regulations promulgated thereunder.

It is expected that the Company qualified for this statutory tax exemption for the prior taxable period and we will take this position for United States federal income tax return reporting purposes. However, there are factual circumstances beyond our control that could cause us to lose the benefit of this tax exemption in the current or future taxable years and thereby become subject to United States federal income tax on our United States source income. For example, if shareholders with a five percent or greater interest in the Company's stock were, in the aggregate, to own 50% or more of our outstanding common shares on more than half the days during the taxable year, we may not be able to qualify for exemption under Section 883. Due to the factual nature of the issues involved, we can give no assurances on our tax-exempt status or that of any of our subsidiaries.

If the Company is not entitled to exemption under Section 883 for any taxable year, the Company, as applicable, could be subject for those years to an effective 2% United States federal income tax on the shipping income such company derives during the year that is attributable to the transport or cargoes to or from the United States. The imposition of this taxation might have a negative effect on our business and would result in decreased earnings available for distribution to our shareholders. See "Item 10. Additional Information—E. Taxation" for a more comprehensive discussion of United States federal income tax considerations.

United States tax authorities could treat the Company as a "passive foreign investment company," which could have adverse United States federal income tax consequences to United States holders.

A foreign corporation will be treated as a "passive foreign investment company," or PFIC, for United States federal income tax purposes if either (1) at least 75% of its gross income for any taxable year consists of certain types of "passive income" or (2) at least 50% of the average value of the corporation's assets produce or are held for the production of those types of "passive income." For purposes of these tests, "passive income" includes dividends, interest, and gains from the sale or exchange of investment property and rents and royalties other than rents and royalties which are received from unrelated parties in connection with the active conduct of a trade or business. For purposes of these tests, income derived from the performance of services does not constitute "passive income." United States shareholders of a PFIC are subject to a disadvantageous United States federal income tax regime with respect to the income derived by the PFIC, the distributions they receive from the PFIC and the gain, if any, they derive from the sale or other disposition of their shares in the PFIC. In addition, United States shareholders of a PFIC are required to file annual information returns with the United States Internal Revenue Service, or IRS.

Based on our method of operations, we do not expect to be a PFIC with respect to any taxable year. In this regard, it is expected that gross income derived or are deemed to have been derived from time chartering activities will be treated as services income, rather than rental income. Accordingly, it is expected that income from time chartering activities should not constitute "passive income," and the assets that we own and operate in connection with the production of that income should not constitute passive assets.

There is substantial legal authority supporting this position consisting of case law and IRS pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, it should be noted that there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. Accordingly, in the absence of legal authority directly relating to PFIC rules, no assurance can be given that the IRS or a court of law will accept this position, and there is a risk that the IRS or a court of law could determine that we are a PFIC. Moreover, no assurance can be given that we would not constitute a PFIC for any future taxable year if the nature and extent of our operations changed.

If the IRS were to find that we are or have been a PFIC for any taxable year, our United States shareholders will face adverse United States federal income tax consequences. Under the PFIC rules, unless those shareholders make an election available under the Code (which election could itself have adverse consequences for such shareholders, as discussed in the section of this annual report entitled "Item 10. Additional Information—E. Taxation—United States Federal Income Taxation–Passive Foreign Investment Company Status and Significant Tax Consequences"), such shareholders would be subject to U.S. federal income tax at the then prevailing income tax rates on ordinary income plus interest upon excess distributions and upon any gain from the disposition of our common shares, as if the excess distribution or gain had been recognized ratably over the United States shareholder's holding period of our common shares, as applicable.

Based on our current and expected composition and our respective subsidiaries' assets and income, it is not anticipated that we will be treated as a PFIC this taxable year. Actual PFIC status for any taxable year, however, will not be determinable until after the end of such taxable year. Accordingly, there can be no assurances regarding our status as a PFIC for the current taxable year or any future taxable year. See the discussion in "Item 10. Additional Information—E. Taxation—United States Federal Income Taxation— Passive Foreign Investment Company Status and Significant Tax Consequences". Our United States shareholders are urged to consult with their own tax advisors regarding the possible application of the PFIC rules.

Changes in tax laws and unanticipated tax liabilities could materially and adversely affect the taxes we pay, results of operations and financial results.

We are subject to income and other taxes in the United States and foreign jurisdictions, and our results of operations and financial results may be affected by tax and other initiatives around the world. For instance, there is a high level of uncertainty in today's tax environment stemming from global initiatives put forth by the Economic Co-operation and Development's ("OECD") two-pillar base erosion and profit shifting project. In October 2021, members of the OECD put forth two proposals: (i) Pillar One reallocates profit to the market jurisdictions where sales arise versus physical presence; and (ii) Pillar Two compels multinational corporations with €750 million or more in annual revenue to pay a global minimum tax of 15% on income received in each country in which they operate. The reforms aim to level the playing field between countries by discouraging them from reducing their corporate income taxes to attract foreign business investment. Over 140 countries agreed to enact the two-pillar solution to address the challenges arising from the digitalization of the economy and, in 2024, these guidelines were declared effective and must now be enacted by those OECD member countries. It is possible that these guidelines, including the global minimum corporate tax rate measure of 15%, could increase the burden and costs of our tax compliance, the amount of taxes we incur in those jurisdictions and our global effective tax rate, which could have a material adverse impact on our results of operations and financial results.

Our corporate governance practices are in compliance with, and are not prohibited by, the laws of the Republic of the Marshall Islands, and as such we are entitled to exemption from certain Nasdaq corporate governance standards. As a result, you may not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements.

Our corporate governance practices are in compliance with, and are not prohibited by, the laws of the Republic of the Marshall Islands. Therefore, we are exempt from some of Nasdaq's corporate governance practices other than the requirements regarding the disclosure of a going concern audit opinion, submission of a listing agreement, notification of material non-compliance with Nasdaq corporate governance practices, and the establishment and composition of an audit committee and a formal written audit committee charter. For a list of the practices followed by us in lieu of Nasdaq's corporate governance rules, we refer you to "Item 16G. Corporate Governance" in this annual report.

Risks Relating to our Securities

We do not have a declared dividend policy and cannot assure you that our board of directors will declare dividend payments in the future.

The declaration and payment of dividends, if any, will always be subject to the discretion of our board of directors. We do not have a declared dividend policy and if the Board determines to declare cash dividends on our common and preferred shares, or certain other securities, the timing and amount of any dividends declared will depend on, among other things, our earnings, financial condition and cash requirements and availability, our ability to obtain debt and equity financing on acceptable terms, or at all, as contemplated by our growth strategy, and the provisions of Marshall Islands law affecting the payment of dividends. In addition, other external factors, such as our future lenders imposing restrictions on our ability to pay dividends under the terms of future loan facilities we may enter into, may limit our ability to pay dividends.

Our growth strategy contemplates that we will finance the acquisition of additional vessels through a combination of debt and equity financing on terms acceptable to us. If financing is not available to us on acceptable terms, our board of directors may determine to finance or refinance acquisitions with cash from operations, which could also reduce or even eliminate the amount of cash available for the payment of dividends.

Marshall Islands law generally prohibits the payment of dividends other than from surplus (retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend. We may not have sufficient surplus in the future to pay dividends. We can give no assurance that we will reinstate our dividends in the future or when such reinstatement might occur.

In addition, our ability to pay dividends to holders of our common shares will be subject to the rights of holders of our Series C Preferred Stock and our Series D Preferred Stock (and other preferred stock we have issued, or will issue in the future, with dividend rights ranking higher than our common shares), which in each case do or might rank prior to our common shares with respect to dividends, distributions and payments upon liquidation. No cash dividend may be paid on our common stock unless full cumulative dividends have been or contemporaneously are being paid or provided for on all outstanding shares of Series C Preferred Stock and Series D Preferred Stock (and other preferred stock we have issued, or will issue in the future, with dividend rights ranking higher than our common shares) for all prior and the then-ending dividend periods. Cumulative dividends on our shares of Series C Preferred Stock and Series D Preferred Stock accrue at a rate of 8.0% and 7.0% per annum, respectively, at a stated liquidation preference of $1,000 per Series C and Series D Preferred Share and are payable in cash or, at our election, in kind, quarterly on January 15, April 15, July 15 and October 15 of each year, or, if any such dividend payment date otherwise would fall on a date that is not a business day, the immediately succeeding business day.

If we do not have sufficient cash to pay dividends on our Series C Preferred Stock and Series D Preferred Stock when due, we may suffer adverse consequences.

Dividends to holders of our shares of Series C Preferred Stock and Series D Preferred Stock will be paid in cash or, at our election, in kind. If we do not have sufficient cash to pay dividends to holders of shares of Series C Preferred Stock and/or Series D Preferred Stock or otherwise elect to pay dividends on our Series C Preferred Stock and/or Series D Preferred Stock in kind, in the form of additional shares of common stock, then such issuance of additional shares of common stock will result in dilution to our existing shareholders and in additional dividend payment obligations of the Company going forward in periods when our board of directors determines to declare common share dividends. In addition, a failure to pay dividends on our Series C Preferred Stock and/or Series D Preferred Stock when due will adversely affect our ability to utilize shelf registration statements to sell our securities, which may be an important fund-raising avenue for us in the future.

Shares of our Series C and Series D Preferred Stock are convertible into our Common Shares, and our Series E Preferred Stock are contingently exercisable into our Common Shares, which could have an adverse effect on the value of our Common Shares.

Shares of our Series C and Series D Preferred Stock are convertible, in whole or in part, at their holder's option, to shares of our common stock at any time. In addition, shares of Series E Preferred Stock may be convertible into shares of our common stock upon the occurrence of certain events. The conversion of our Series C or Series D Preferred Stock, or under limited circumstances, our Series E Preferred Stock, could result in dilution to our existing shareholders at the time of conversion. Accordingly, the existence of the Series C and Series D Preferred Stock and the ability of a holder to convert the shares of these shares of preferred stock into shares of our common stock could have a material adverse effect on the value of our common stock.

The market prices and trading volume of our shares of common stock has and may continue to experience rapid and substantial price volatility, which could cause purchasers of our common stock to incur substantial losses.

The market prices and trading volume of shares of common stock of other small publicly traded companies with a limited number of shares available to purchasers, have experienced recently and over the years rapid and substantial price volatility unrelated to the financial performance of those companies. Similarly, shares of our common stock have and may continue to experience similar rapid and substantial price volatility unrelated to our financial performance, which could cause purchasers of our common stock to incur substantial losses, which may be unpredictable and not bear any relationship to our business and financial performance. Extreme fluctuations in the market price of our common stock may occur in response to strong and atypical retail investor interest, including on social media and online forums, the direct access by retail investors to broadly available trading platforms, the amount and status of short interest in our common stock and our other securities, access to margin debt, trading in options and other derivatives on our shares of common stock and any related hedging and other trading factors:

If there is extreme market volatility and trading patterns in our common stock, it may create several risks for purchasers of our shares, including the following:

- the market price of our common stock may experience rapid and substantial increases or decreases unrelated to our operating performance or prospects, or macro or industry fundamentals;
- if our future market capitalization reflects trading dynamics unrelated to our financial performance or prospects, purchasers of our common stock could incur substantial losses as prices decline once the level of market volatility has abated;
- if the future market price of our common stock declines, purchasers of shares of common stock may be unable to resell such shares at or above the price at which they acquired them. We cannot assure such purchasers that the market of our common stock will not fluctuate or decline significantly in the future, in which case investors could incur substantial losses.

Further, we may incur rapid and substantial increases or decreases in our common stock price in the foreseeable future that may not coincide in timing with the disclosure of news or developments by or affecting us. Accordingly, the market price of our common stock may fluctuate dramatically, and may decline rapidly, regardless of any developments in our business. Overall, there are various factors, many of which are beyond our control, that could negatively affect the market price of our common stock or result in fluctuations in the price or trading volume of our common stock, including but not limited to:

- actual or anticipated variations in our annual or quarterly results of operations, including our earnings estimates and whether we meet market expectations with regard to our operating results;
- our ability to pay dividends or other distributions;
- publication of research reports by analysts or others about us or the shipping industry in which we operate which may be unfavorable, inaccurate, inconsistent or not disseminated on a regular basis;
- changes in market valuations of similar companies;
- our continued compliance with Nasdaq's listing standards;
- market reaction to any additional equity, debt or other securities that we may issue in the future, and which may or may not dilute the holdings of our existing stockholders;
- additions or departures of key personnel;
- actions by institutional or significant stockholders;
- short interest in our common stock or our other securities and the market response to such short interest;
- the dramatic increase in the number of individual holders of our common stock and their participation in social media platforms targeted at speculative investing;
- speculation in the press or investment community about our company or industries in which we operate;
- strategic actions by us or our competitors, such as acquisitions or other investments;
- legislative, administrative, regulatory or other actions affecting our business, our industry;
- investigations, proceedings, or litigation that involve or affect us;
- the occurrence of any of the events described as in other risk factors included in this annual report; and
- general market and economic conditions.

We may not be able to maintain compliance with Nasdaq's continued listing requirements.

Our common stock is listed on the Nasdaq Capital Market. If we fail to maintain compliance with all applicable continued listing requirements for Nasdaq, such as the minimum $1.00 per share bid price requirement, and Nasdaq determines to delist our common stock, the delisting could adversely affect the market liquidity of our common stock, our ability to obtain financing, repay any debt we may incur in the future and fund our operations. In addition, our ability to raise additional capital through equity or debt financing would be greatly impaired. A suspension or delisting may also breach the terms of certain of our material contracts.

We are incorporated in the Marshall Islands, which does not have a well-developed body of corporate law, thus, you may have more difficulty protecting your interests than shareholders of a U.S. corporation.

Our corporate affairs are governed by our amended and restated articles of incorporation and bylaws and by the Marshall Islands Business Corporations Act, or the BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. However, there have been few judicial cases in the Marshall Islands interpreting the BCA. The rights and fiduciary responsibilities of directors under the laws of the Marshall Islands are not as clearly established as the rights and fiduciary responsibilities of directors under statutes or judicial precedent in existence in the United States. The rights of shareholders of the Marshall Islands may differ from the rights of shareholders of companies incorporated in the United States. While the BCA provides that it is to be interpreted according to the laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few, if any, court cases interpreting the BCA in the Marshall Islands and we cannot predict whether Marshall Islands courts would reach the same conclusions as U.S. courts. Thus, you may have more difficulty in protecting your interests in the face of actions by the management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction which has developed a relatively more substantial body of case law.

As a Marshall Islands corporation and with some of our subsidiaries being Marshall Islands entities and also having subsidiaries in other offshore jurisdictions, our operations may be subject to economic substance requirements, which could impact our business.

We are a Marshall Islands corporation and some of our subsidiaries are Marshall Islands entities. The Marshall Islands has enacted economic substance laws and regulations with which we may be obligated to comply. We believe that we and our subsidiaries are compliant with the Marshall Islands economic substance requirements. However, if there were a change in the requirements or interpretation thereof, or if there were an unexpected change to our operations, any such change could result in noncompliance with the economic substance legislation and related fines or other penalties, increased monitoring and audits, and dissolution of the non-compliant entity, which could have an adverse effect on our business, financial condition or operating results.

EU Finance ministers rate jurisdictions for tax rates and tax transparency, governance and real economic activity. Countries that are viewed by such finance ministers as not adequately cooperating, including by not implementing sufficient standards in respect of the foregoing, may be put on a "grey list" or a "blacklist". Effective as of October 17, 2023, the Marshall Islands has been designated as a cooperating jurisdiction for tax purposes. If the Marshall Islands is added to the list of non-cooperative jurisdictions in the future and sanctions or other financial, tax or regulatory measures were applied by European Member States to countries on the list or further economic substance requirements were imposed by the Marshall Islands, our business could be harmed.

Certain of our affiliates hold certain of our common shares and certain of our Preferred Shares that, together, allow them to exert considerable influence over matters on which our shareholders are entitled to vote.

In connection with the contribution of the OceanPal Inc. Predecessors to us by Diana Shipping, we issued 500,000 shares of Series B Preferred Stock to Diana Shipping. These shares of Series B Preferred Stock (the "Series B Preferred Stock") vote with our common shares and each share of Series B Preferred Stock entitles the holder thereof to the right to cast a number of votes for all matters on which our shareholders are entitled to vote of up to 34% of the total number of votes entitled to vote on all matters submitted to a vote of our common shareholders, subject to certain limitations that prevent Diana Shipping from exercising more than 49% of the aggregate voting authority derived from any voting security then held by Diana Shipping on any matter put to shareholders. In addition, in connection with the contribution, Diana Shipping also received 10,000 shares of our Series C Preferred Stock (the "Series C Preferred Stock"), which are convertible into common shares at Diana Shipping's option following the first anniversary of the original issue date (i.e. November 29, 2021), at a conversion price equal to the lesser of $1,300.00 and the 10-trading day trailing VWAP of our common shares, subject to certain adjustments. On October 17, 2023, Diana Shipping exercised its right to convert an aggregate of 9,793 shares of our Series C Preferred Stock, following which conversion, Diana Shipping as of April 10, 2024 owned 48.97% of our issued and outstanding shares of common stock and holds 207 shares of our Series C Preferred Stock. Through its beneficial ownership of common shares of Series B Preferred Stock, Diana Shipping is able to establish a quorum at any shareholder meeting. While Diana Shipping has no agreement, arrangement or understanding relating to the voting of its common shares or shares of Series B Preferred Stock, it is able to influence the outcome of matters on which our shareholders are entitled to vote, including the election of directors and other significant corporate actions. In addition, an entity controlled by our Chairperson, also has the ability to cause the vote of up to 15% of the total number of votes entitled to vote on all matters submitted to a vote of our common shareholders through the ownership of our issued and outstanding Series E Preferred Shares. For more information, please see "Item 7B. Related Party Transactions —Issuance of Series E Preferred Stock.". This concentration of ownership may have the effect of delaying, deferring, or preventing a change in control, merger, consolidation, takeover or other business combination. This concentration of ownership could also discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, which could in turn have an adverse effect on the market price of our shares. So long as Diana Shipping continues to have a significant interest on us, even though the amount is less than 50% of our voting power, it will continue to be able to exercise considerable influence over our decisions. The interests of Diana Shipping may be different from your interests.

Future issuances or sales of our common stock could cause the market price of our common stock to decline.

Issuances or sales of a substantial number of shares of our common stock in the public market, or the perception that these sales could occur, may depress the market price for our common stock. These issuances and sales could also impair our ability to raise additional capital through the sale of our equity securities in the future.

As of April 10, 2024, we had outstanding Class A warrants under the January 2022 Offering (refer to discussion in Item 4. Information on the Company under the section "History and Development of the Company" below) that may obligate us to issue up to an additional of 72,370 common shares, and outstanding Class B warrants under the 2023 Registered Direct Offering that may obligate us to issue up to an additional of 750,000 common shares, or of 822,370 common shares in the aggregate, upon the exercise of these warrants in full. In addition, we may issue additional shares of common stock upon the conversion of one or more series of our preferred shares and may issue additional securities in the future for any purpose and for such consideration and on such terms and conditions as we may determine appropriate or necessary, including in connection with equity awards, financings or other strategic transactions. In addition, our stockholders may elect to sell large numbers of shares held by them from time to time.

Our amended and restated articles of incorporation authorize us to issue up to 1,000,000,000 shares of common stock, of which 7,451,977 shares were issued and outstanding as of April 10, 2024. The number of shares of common stock available for sale in the public market will be limited by restrictions applicable under securities laws.

The market price of our common shares could also decline due to sales, or the announcements of proposed sales, of a large number of common shares by our large shareholders, or the perception that these sales could occur.

Anti-takeover provisions in our organizational documents could make it difficult for our shareholders to replace or remove our current board of directors or have the effect of discouraging, delaying or preventing a merger or acquisition, which could adversely affect the market price of our common stock.

Several provisions of our amended and restated articles of incorporation and bylaws could make it difficult for our shareholders to change the composition of our board of directors in any one year, preventing them from changing the composition of management. In addition, the same provisions may discourage, delay or prevent a merger or acquisition that shareholders may consider favorable.

These provisions include:

- authorizing our board of directors to issue "blank check" preferred stock without shareholder approval;
- providing for a classified board of directors with staggered, three-year terms;
- prohibiting cumulative voting in the election of directors;
- authorizing the removal of directors only for cause and only upon the affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote for the directors;
- prohibiting shareholder action by written consent;
- limiting the persons who may call special meetings of shareholders; and
- establishing advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by shareholders at shareholder meetings.

In addition, we have adopted a Stockholders Rights Agreement, pursuant to which our board of directors may cause the substantial dilution of any person that attempts to acquire us without the approval of our board of directors.

These anti-takeover provisions, including provisions of our Stockholders Rights Agreement, could substantially impede the ability of public shareholders to benefit from a change in control and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

Item 4. Information on the Company

A. History and Development of the Company

OceanPal Inc. was incorporated by Diana Shipping (NYSE: DSX) under the laws of the Republic of the Marshall Islands on April 15, 2021 to serve as the holding company of the three former vessel owning subsidiaries that were contributed to us by Diana Shipping (the "OceanPal Inc. Predecessors"), together with $1.0 million in working capital, in connection with the distribution by us of all of the 44,101 issued and outstanding common stock to Diana Shipping's shareholders on November 29, 2021 (the "Spin-Off"). In connection with the Spin-Off, Diana Shipping received 500,000 shares of our Series B Preferred Stock and 10,000 shares of our 8.0% Series C Preferred Stock. Our common stock trades on the Nasdaq Capital Market under the ticker symbol "OP" since November 30, 2021.

We and Diana Shipping are independent publicly traded companies with separate independent boards of directors. All references in this annual report to us for periods prior to the Spin-Off refer to the OceanPal Inc. Predecessors. Effective December 22, 2022, and June 8, 2023, we effected a 1-for-10 and a 1-for-20 reverse stock split, respectively, on our common stock. All share and per share amounts disclosed herein, give effect to these reverse stock splits retroactively, for all periods presented, unless indicated otherwise.

We are an independent provider of worldwide ocean-going transportation services. As of the date of this annual report, we own and operate five dry bulk carriers that transport major bulks such as iron ore, coal and grains, and minor bulks such as bauxite, phosphate and fertilizers with a total cargo carrying capacity of approximately 572,599 dwt. We intend to expand our fleet in the future and may acquire additional dry bulk carriers as well as vessels in other sectors based on our assessment of market conditions. We intend to acquire additional vessels principally in the secondhand market, including acquisitions from unrelated third parties, and we may also acquire additional vessels from Diana Shipping or other related parties, provided that such related party acquisitions are negotiated and conducted on an arms-length basis. Diana Shipping has granted us a right of first refusal over six identified dry bulk carriers owned by Diana Shipping on the Spin-Off date. As of the date of this annual report, one of the six identified vessels from Diana Shipping remains available for our purchase. Pursuant to this right of first refusal, we have the right, but not the obligation, to purchase this identified vessel when and if Diana Shipping determines to sell the vessel at fair market value at the time of sale. See "Item 7. Major Shareholders and Related Party Transactions-B. Related Party Transactions." We may also enter into newbuilding contracts to the extent that we believe they present attractive opportunities.

Our executive offices are located at Pendelis 26, 175 64 Palaio Faliro, Athens, Greece. Our telephone number at this address is +30-210-9485-360. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of the SEC's Internet site is http://www.sec.gov. Our internet address is http://www.oceanpal.com. None of the information contained on these websites is incorporated into or forms a part of this annual report.

January 2022 Offering

On January 25, 2022, we closed an underwritten public offering of 15,571,429 units at a price of $0.77 per unit, 200 units consisting of one share of our common stock (or 200 pre-funded warrants in lieu of one share of our common stock) and 200 Class A warrants to purchase one share of our common stock. In addition, certain selling shareholders affiliated with us (the "Selling Shareholders") sold an aggregate of 3,143 shares of common stock in the offering. Each of the 3,143 shares of common stock sold by the Selling Shareholders on the primary offering, was delivered to the underwriters with 200 additional Class A warrants to purchase one share of common stock (sold by us), on a firm commitment basis. In addition, the underwriter for the offering fully-exercised its option to purchase an additional 5,743 common shares from the Selling Shareholders and 6,407 common shares, along with 2,430,000 Class A warrants from us to purchase 12,150 shares of common stock. Each of the 5,743 shares of common stock sold by the Selling Shareholders upon exercise of the underwriters' over-allotment option, was sold with 200 Class A warrants (sold by us) to purchase one share of our common stock, on a firm commitment basis. All pre-funded warrants related to this offering were exercised during 2022, whereas, as of April 10, 2024, Class A warrants to purchase 72,370 common shares remained available for exercise at an exercise price of $154.00 per share. The gross proceeds of the offering to us, before underwriting discounts and commissions and estimated offering expenses, were approximately $16.19 million (including the exercise of the overallotment option, the exercise of 4,156,000 Class A warrants to purchase 20,780 shares of common stock, and the exercise of all pre-funded warrants). We did not receive any of the proceeds from the sale of common shares by the Selling Shareholders and we only received the proceeds for the Class A warrants sold together with the Selling Shareholders' shares of common stock. We refer to this offering as the "January 2022 Offering."

2023 Registered Direct Offering and Concurrent Private Placement

On February 10, 2023, we issued 15,000,000 units with each twenty units consisting of one share of common stock (or twenty pre-funded warrants in lieu of one share of our common stock) and twenty Class B Warrants. We also offered to each purchaser, with respect to the purchase of units that would otherwise result in the purchaser's beneficial ownership exceeding 4.99% of our outstanding common stock immediately following the consummation of this offering, the opportunity to purchase twenty pre-funded warrants in lieu of one share of common stock. Each twenty pre-funded warrants were exercisable for one share of common stock at an exercise price of $0.20 per share. As of December 31, 2023, all the pre-funded warrants related to this offering have been exercised, and, further, as of April 10, 2024, all Class B warrants to purchase 750,000 common shares remained available for exercise at an exercise price of $20.20 per share. The gross proceeds of the offering to us, before deducting for placement agency fees and estimated offering expenses, including the exercise of pre-funded warrants, were approximately $15.16 million as of the date of this annual report. We refer to this offering as the "February 2023 Registered Direct Offering" Also, on the same date, we sold to each purchaser of the units, 15,000,000 unregistered privately placed warrants, to purchase up to an aggregate of 750,000 shares of our common stock at an exercise price of $20.20 per share. On February 23, 2023, we filed with the SEC a resale registration agreement in Form F-1 regarding the privately placed warrants which was declared effective on March 8, 2023. All the privately placed warrants were exercised by September 29, 2023. We did not receive any proceeds from the exercise of the privately placed warrants since these were exercised on an alternative cashless basis, resulting to the issuance of 562,501 shares of common stock. We refer to this offering as the "Concurrent Private Placement" or the "Selling Shareholders Registration Statement".

Acquisition of vessel

On February 1, 2023, we, through one of our wholly owned subsidiaries, entered into a memorandum of agreement with Diana Shipping to acquire a 2005-built Panamax vessel, the m/v Melia, for a total consideration of $14.0 million. Of the purchase price, $4.0 million, was paid in cash upon signing of the memorandum of agreement, and the remaining amount of $10.0 million was paid upon delivery of the vessel to us in 13,157 shares of our Series D Preferred Stock. Our purchase of this vessel was made pursuant to our exercise of a right of first refusal granted to us by Diana Shipping on six identified vessels based on an agreement dated November 8, 2021. The vessel was delivered to us on February 8, 2023. The acquisition of the vessel was approved by a committee of independent members of our Board of Directors. For additional information, please see "Item 7. Major Shareholders and Related Party Transactions — Related Party Transactions — Diana Shipping Right of First Refusal."

2021 Equity Incentive Plan

On March 7, 2023, and February 21, 2024, our Board of Directors approved the award of 3,332 shares and 3,332 shares, respectively, of Series C Preferred Stock to our directors, pursuant to our 2021 Equity Incentive Plan, as amended and restated (the "2021 Equity Incentive Plan"), as an annual incentive bonus. The fair value of each of the preferred stock awards under the 2021 Equity Incentive Plan, was determined based on an independent third-party valuation.

On April 10, 2024, we further amended and restated our 2021 Equity Incentive Plan so that the maximum aggregate number of shares of common stock that may be delivered pursuant to awards granted under the 2021 Equity Incentive Plan, is 2,000,000.

Nasdaq Minimum Bid Price Compliance

On March 27, 2023, we received a written notification from Nasdaq indicating that because the closing bid price of our common shares for the last 30 consecutive business days was below $1.00 per share, we no longer met the minimum bid price requirement under Nasdaq rules. On June 8, 2023, we effected a 1-for-20 reverse split of our common stock and, at the opening of trading of the same day, our common stock began trading on a split-adjusted basis on the Nasdaq Capital Market. The reverse stock split was approved by our shareholders at our 2023 Annual Meeting of Shareholders held on May 3, 2023. The one-for-twenty ratio was approved by our Board on May 24, 2023. Our Board has the authority to effect one or more additional reverse stock splits on our issued shares of common stock, pursuant to the shareholder approval granted on May 3, 2023, in the aggregate ratio of not more than 1-for-250, with the exact ratio to be determined by the Board in its discretion. As of June 22, 2023, our common stock remained at $1.00 per share or higher for ten consecutive days. As such, on June 23, 2023, we received a letter from the Nasdaq Capital Market confirming that we regained compliance with the minimum bid price requirement. As a result of this reverse stock split, there was no change in the number of authorized shares or the par value of our common stock.

Post-Effective Amendment to Form F-1 on Form F-3

On April 10, 2023, we filed a single prospectus as part of a registration statement on Form F-3 (the "Registration Statement") to update and supplement information contained in the Prior Registration Statements (as defined below). Pursuant to Rule 429 under the Securities Act, the prospectus included in the Registration Statement is a combined prospectus relating to (i) the registration statement on Form F-1 originally filed with the SEC on January 12, 2022, which was declared effective on January 20, 2022 (the January 2022 Registration Statement"), (ii) the registration statement on Form F-1 originally filed with the SEC on April 7, 2022, which was declared effective on February 8, 2023 (the "February 2023 Registration Statement") and (iii) the Selling Shareholders Registration Statement, or the "Prior Registration Statements").

This Post-Effective Amendment to Form F-1 on Form F-3 (the "Post-Effective Amendment") constitutes Post-Effective Amendment No. 3 to the January 2022 Registration Statement, Post-Effective Amendment No. 1 to the February 2023 Registration Statement and Post-Effective Amendment No. 1 to the Selling Shareholders Registration Statement and was filed in order to convert the Prior Registration Statements into a registration statement on Form F-3.

Filing of Shelf Registration Statement on form F-3

On June 30, 2023, we filed a prospectus as part of a shelf registration statement on Form F-3, under which we may sell, from time to time, our common stock (including related preferred stock purchase rights), preferred stock, debt securities, warrants, purchase contracts, rights and units described in the prospectus in one or more offerings up to a total dollar amount of $250.0 million. The SEC declared the shelf registration statement effective on July 14, 2023.

Issuance of Series E Preferred Stock

On March 20, 2023, we issued 1,200 shares of our newly-designated Series E Preferred Stock (the "Series E Preferred Stock"), par value $0.01 per share, to an affiliated company of our Chairperson, Mrs. Semiramis Paliou, for a purchase price of $35,000. This transaction was evaluated by a financial advisor engaged to evaluate the transaction and deliver an opinion as to the financial fairness and the fair value of such consideration. The Series E Preferred Stock has no dividend or liquidation rights. The Series E Preferred Stock votes with the shares of common stock of the Company, and each share of the Series E Preferred Stock entitles the holder thereof to up to 25,000 votes, on all matters submitted to a vote of the stockholders of the Company, subject up to 15% of the total number of votes entitled to be cast on matters put to shareholders of the Company. The Series E Preferred Stock is convertible, at the election of the holder, in whole or in part, into shares of our common stock at a conversion price equal to the 10-trading day trailing VWAP of our common stock, subject to certain adjustments, commencing at any time after (i) the cancellation of all of our Series B Preferred Stock or (ii) the transfer for all of our Series B Preferred Stock (collectively, a "Series B Event"). The 15% limitation discussed above, shall terminate upon the occurrence of a Series B Event. The Series E Preferred Stock is transferable only to the holder's immediate family members and to affiliated persons or entities, with the prior consent of the Company. The issuance of shares of Series E Preferred Stock was approved by an independent committee of our Board of Directors.

Appointment of Chief Executive Officer, new Chief Financial Officer and new Secretary

Effective February 2, 2023, we appointed Mr. Robert Perri as our Chief Executive Officer. Effective as of April 25, 2023, we appointed Vasiliki Plousaki as the Company's new Chief Financial Officer, and appointed Margarita Veniou as the Company's new Secretary.

Dividend Declarations

On January 17, 2023, we paid a cash dividend on our Series C Preferred Stock i) issued to Diana Shipping and ii) awarded on April 15, 2022 as part of the 2021 Equity Incentive Plan (i.e. 11,982 shares in aggregate) concerning the period from October 15, 2022 to January 14, 2023, inclusive, in the aggregate amount of $0.24 million.

On January 17, 2023, we paid a cash dividend on our then outstanding Series D Preferred Stock (i.e. 9,172 shares), concerning the period from October 15, 2022 to January 14, 2023, inclusive, in the aggregate amount of $0.16 million.

On April 17, 2023, we paid a cash dividend on our then outstanding Series C Preferred Stock i) issued to Diana Shipping and ii) awarded on April 15, 2022 and as part of the 2021 Equity Incentive Plan (i.e. 11,982 shares in aggregate), for the period from January 15, 2023 to April 14, 2023, inclusive, and iii) our Series C Preferred Stock awarded on March 7, 2023, for the period from March 7, 2023 to April 14, 2023, inclusive, in the aggregate amount of $0.27 million.

On April 17, 2023, we paid a cash dividend on i) 9,172 shares of our Series D Preferred Stock for the period from January 15, 2023 to April 14, 2023, inclusive, and ii) M/V Melia acquisition from Diana Shipping discussed above (i.e. 13,157 shares) for the period from February 8, 2023 to April 14, 2023, inclusive, in the aggregate amount of $0.33 million.

On July 17, 2023, we paid a cash dividend on our then outstanding Series C Preferred Stock i) issued to Diana Shipping and ii) awarded on April 15, 2022 and March 7, 2023 as part of the 2021 Equity Incentive Plan (i.e. 15,314 shares in aggregate), for the period from April 15, 2023 to July 14, 2023, inclusive, in the aggregate amount of $0.31 million.

On July 17, 2023, we paid a cash dividend on our then outstanding Series D Preferred Stock (i.e. 13,739 shares), concerning the period from April 15, 2023 to July 14, 2023, inclusive, in the aggregate amount of $0.24 million.

On October 16, 2023, we paid a cash dividend on our then outstanding Series C Preferred Stock i) issued to Diana Shipping Inc. and ii) awarded on April 15, 2022 and March 7, 2023 as part of the 2021 Equity Incentive Plan (i.e. 15,314 shares in aggregate), for the period from July 15, 2023 to October 14, 2023, inclusive, in the aggregate amount of $0.31 million.

On October 16, 2023, we paid a cash dividend on our then outstanding Series D Preferred Stock (i.e. 13,739 shares), concerning the period from July 15, 2023 to October 14, 2023, inclusive, in the aggregate amount of $0.24 million.

On January 16, 2024, we paid a cash dividend on our then outstanding Series C Preferred Stock i) issued to Diana Shipping Inc. and ii) awarded on April 15, 2022 and March 7, 2023 as part of the 2021 Equity Incentive Plan (i.e. 5,521 shares in aggregate), for the period from October 15, 2023 to January 14, 2024, inclusive, in the aggregate amount of $0.11 million.

On January 16, 2024, we paid a cash dividend on our then outstanding Series D Preferred Stock (i.e. 13,738 shares), concerning the period from October 15, 2023 to January 14, 2024, inclusive, in the aggregate amount of $0.24 million.

Diana Shipping 2023 Stock Dividend and other exercises of Series D Preferred Stock

On April 24, 2023, Diana Shipping declared a special stock dividend to its shareholders of our shares of Series D Preferred Stock issued to Diana in connection with the acquisition of m/v Melia in February 2023 (i.e., 13,157 shares). Because no public market exists or is expected to develop for our Series D Preferred Stock, Diana Shipping converted the shares of our Series D Preferred Stock that were payable as Special Stock Dividend into our shares of common stock and distributed such shares of common stock to each of its common shareholders, provided that each Diana Shipping common shareholder was given the opportunity in their sole discretion to opt out, in whole but not in part, of the conversion of the shares of Series D Preferred Stock into shares of our common stock and instead receive shares of Series D Preferred Stock.

Diana Shipping's shareholders electing to receive shares of our Series D Preferred Stock by opting out of the automatic conversion received a number of shares of Series D Preferred Stock equal to such common shareholder's pro-rata portion of all the shares of our Series D Preferred Stock, rounded down to the nearest whole number. Any fractional shares of the Series D Preferred Stock that would otherwise be distributed were converted into our Common Shares at the applicable conversion rate and sold, and the net proceeds therefrom were delivered to such common shareholders. Diana Shipping common shareholders receiving our common shares received the pro-rata number of Common Shares to which they were entitled following conversion, rounded down to the nearest whole number, and any fractional shares were aggregated and sold and the net proceeds thereof were delivered to Diana Shipping's common shareholders. All of our fractional share calculations and the payment of cash in lieu thereof were determined at the shareholder nominee level.

As a result of Diana Shipping's June 2023 Special Stock Dividend, 8,590 shares of our Series D preferred Stock were redeemed through the issuance of 1,977,491 shares of our common Stock, and 4,567 shares of our Series D preferred Stock were distributed to Diana Shipping common stockholders.

During 2023 and the period from January 1, 2024, to April 10, 2024, holders of the Company's Series D preferred stock unaffiliated with the Company, in accordance with the provisions and the conversion mechanism prescribed in the Series D statement of designations, exercised their right to redeem one and nine, respectively, Series D Preferred Stock to common stock, resulting in the issuance of 385 and 3,376, respectively, common shares. As a result of these exercises, as of April 10, 2024, we had issued and outstanding 13,729 shares of Series D Preferred Stock.

Investment in Methanol-Ready Chemical Tanker Newbuildings

On August 29, 2023, we invested in a Norwegian entity, RFSea Infrastructure II AS, that is constructing, under two separate newbuilding contracts, two 6,600 dwt methanol-ready, stainless steel chemical tankers with expected delivery dates between the fourth quarter of 2025 and the first quarter of 2026. In connection with this transaction, we committed an aggregate amount of $4.13 million, due in three equal installments of $1.38 million each. The first installment was paid in September 2023, and the two remaining installments are expected to be due in late 2024 and mid-2025, respectively.

Diana Shipping redemption of Series C Preferred Stock

On October 17, 2023, Diana Shipping, pursuant to the provisions of the Series C Preferred Stock statement of designations, exercised their right to redeem 9,793 of its 10,000 Series C Preferred Stock, through the issuance to Diana Shipping of 3,649,474 of our shares of common stock. The redemption rate which was utilized in connection with the redemption of the Series C Preferred Stock was based on the 10-day trailing VWAP of the Company's common stock, in accordance with the conversion mechanism prescribed in the Series C Preferred Stock statement of designation.

Recent Developments

2024 Annual General Meeting

On April 3, 2024, we announced that our annual meeting of shareholders (the "Annual Meeting") will be held in virtual format at 8:00 a.m. Eastern Standard Time on May 17, 2024. All shareholders of record as of March 28, 2024, may attend and vote by following the instructions included in the Notice of Annual Meeting of Shareholders and accompanying proxy statement which is available on the SEC website and Company website.

B. Business overview

We are a global provider of shipping transportation services. We specialize in the ownership of vessels. Each of our vessels is owned through a separate wholly owned subsidiary.

As of the date of this annual report, our operating fleet consists of five dry bulk carriers, of which three are Panamaxes and two are Capesize vessels, having a combined carrying capacity of 572,599 dwt and a weighted average age of 19.0 years. Our vessels transport major bulks such as iron ore, coal and grains, and minor bulks such as bauxite, phosphate and fertilizers.

Our Current Fleet

The following table presents certain information concerning the dry bulk carriers in our fleet, as of April 10, 2024:

Fleet Employment Profile (As of April 10, 2024)

OceanPal Inc.'s fleet is employed as follows:

	Vessel BUILT DWT	Sister Ships*	Gross Rate (USD/Day)	Com**	Charterers	Delivery Date to Charterers***	Redelivery Date to Owners****	Notes
					3 Panamax Bulk Carriers			
1	PROTEFS	A	$ 10,500	5.00%	LOUIS DREYFUS COMPANY FREIGHT ASIA PTE LTD	12-Sept-23	09-Apr-24	1,2
	2004 73,630		$ 13,000	5.00 %	CHINA RESOURCE CHARTERING LIMITED	14-Apr-24	13-Jul-24	3,4
2	CALIPSO	A	$ 11,000	5.00%	OLDENDORFF CARRIERS DENMARK APS	28-Sep-23	05-Nov-23	
	2005 73,691		$ 10,250	5.00%	COFCO INTERNATIONAL FREIGHT(S) PTE. LTD.	05-Nov-23	24-Feb-24	
			$ 12,500	5.00%	HMM CO., LTD.	24-Feb-24	28-Mar-24	
			$ 13,250	5.00%	COFCO INTERNATIONAL FREIGHT SA	06-Apr-24	05-Jul-24	
3	MELIA		$ 6,250	5.00%	ASL BULK SHIPPING LIMITED	26-Aug-23	09-Nov-23	
	2005 76,225		$ 9,500	5.00%	FORTUNE OCEAN MARINE PTE. LTD.	09-Nov-23	12-Dec-23	
			$ 11,850	5.00%	LOUIS DREYFUS COMPANY FREIGHT ASIA PTE LTD	12-Dec-23	06-Feb-24	
			$ 12,100	5.00%	ASL BULK SHIPPING LIMITED	06-Feb-24	25-Apr-24	5,6
					2 Capesize Bulk Carriers			
4	SALT LAKE CITY		$ 14,500	5.00%	FIVE OCEAN CORPORATION	26-Sep-23	06-Feb-24	
	2005 171,810		$ 15,150	5.00%	DEYESION SHIPPING & TRADING COMPANY LIMITED	06-Feb-24	05-May-24 - 05-Jul-24	
5	BALTIMORE		$ 20,000			27-Sep-23	18-Nov-23	
	2005 177,243		$ 13,500	5.00%	RICHLAND BULK PTE. LTD.	18-Nov-23	20-Apr-24-15-May-24	7

* Each dry bulk carrier is a "sister ship", or closely similar to other dry bulk carriers that have the same letter.

** Total commission percentage paid to third parties.

*** In case of newly acquired vessel with new time charter attached, this date refers to the expected/actual date of delivery of the vessel to the Company.

**** Range of redelivery dates, with the actual date of redelivery being at the Charterers' option, but subject to the terms, conditions, and exceptions of the particular charterparty.

1. Charterers will compensate the Owners at a rate of 80% of the Baltic Panamax Index 5 TC average as published by the Baltic Exchange on a daily basis of the vessel's present charter party rate, whichever is higher, for the excess period commencing from March 25, 2024, until the actual redelivery date.

2. Currently without an active charterparty.

3. Estimated delivery date to the Charterers.

4. Redelivery date on an estimated time charter trip duration of about 90 days.

5. Redelivery date on an estimated time charter trip duration of about 79 days.

6. For redelivery of the vessel south of Hong Kong, including Hong Kong, the gross rate will be $12,100/day. For redelivery of the vessel north of Hong Kong up to Changjiangkou, including Changjiangkou, the gross rate will be $12,500/day. For redelivery of the vessel north of Changjiangkou, the gross rate will be $13,000/day.

7. Based on latest information.

Management of Our Fleet

Our business is the ownership of vessels. We are a holding company that wholly owns the subsidiaries which own the vessels that comprise our fleet. The holding company sets general overall direction for the company and interfaces with various financial markets. The commercial and technical management, except for insurance services, of our fleet is carried out by Diana Wilhelmsen Management Limited, which we refer to as DWM, a 50/50 joint venture between Wilhelmsen Ship Management and Diana Shipping. In exchange for providing us with commercial and technical services, we pay DWM a monthly fee per vessel and a percentage of the vessels' gross revenues. Insurance and handling of claims services, brokerage services and the provision of certain administrative management services are carried out by Steamship, an affiliated company of us and Diana Shipping. Brokerage services relate to the purchase, sale or chartering of our vessels, brokerage services relating to the repairs and other maintenance of our vessels, and any relevant consulting services. Administrative management services may include budgeting, reporting, monitoring of bank accounts, compliance with banks, payroll services, legal and securities compliance services, and any other possible administrative management services that we require to perform our business activities. Please see "Item 7. Major Shareholders and Related Party Transactions-B. Related Party Transactions."

Our Customers

Our customers include regional and international companies. For the period from January 1, 2021, to November 29, 2021, four and three of the charterers of the OceanPal Inc. Predecessors accounted for 98% and 95%, respectively, of the Predecessors' revenues. During 2021 (for the period from commencement of our vessels' operations (November 30, 2021)), 2022 and 2023, three, four, and three of our charterers accounted for 93%, 57%, and 51%, respectively, of our revenues.

Currently, our vessels are employed on time charter trips with short to medium duration. Under our time charters, the charterer typically pays us a fixed daily charter rate and bears all voyage expenses, including the cost of bunkers (fuel oil) and canal and port charges. We remain responsible for paying the chartered vessel's operating expenses, including the cost of crewing, insuring, repairing and maintaining the vessel. Our time charters are for fixed terms and will expire in accordance with the scheduled set forth in the table above, and charter-hire is generally paid twice a month in arrears. For the period from January 1, 2021 to November 29, 2021, the OceanPal Inc. Predecessors paid commissions that ranged from 4.75% to 5.0% of the total daily charter hire rate of each charter to unaffiliated ship brokers and to in-house brokers associated with the charterer, depending on the number of brokers involved with arranging the charter. During 2021 (for the period from commencement of our operations upon closing of the Spin-Off (November 30, 2021)), 2022 and 2023, we paid brokerage commissions of 5.0% of the total daily charter hire rate of each charter to unaffiliated ship brokers and to our managers (which excludes address commissions of 3.75% paid directly to the charterer). Our time charters are subject to earlier termination in the event one of our vessels is a total or constructive loss as the result of casualty or is off hire for more than a specified period.

Following the expiration of our existing time charters, we expect to employ our fleet in time charter trips with short to medium duration, by either entering into short-term to medium-term trip time charters or spot voyages, with the exact term depending on the vessel route, although we may employ our vessels on long-term time charters depending on market conditions. Under a voyage charter, we are responsible for both the vessel operating expenses and the voyage expenses incurred in performing the charter, while under a time charter, we are responsible for vessel operating expenses while the charterer is responsible for voyage expenses. We strategically monitor developments in the dry bulk shipping industry on a regular basis and, subject to market demand, seek to adjust the charter hire periods for our vessels according to prevailing market conditions. Currently, our vessels are employed on time charter trips with short to medium duration, which provides us with flexibility in responding to market developments, but in the future we may employ vessels in the spot market or on longer-term time charters. We continuously evaluate the duration of our charters and extend or reduce the charter hire periods of the vessels in our fleet according to the developments in the dry bulk shipping industry.

The Dry Bulk Shipping Industry

The global dry bulk carrier fleet could be divided into the following categories based on a vessel's carrying capacity. These categories consist of:

(i) *Very Large Ore Carriers*. Very large ore carriers, or VLOCs, have a carrying capacity of more than 200,000 dwt and are a comparatively new sector of the dry bulk carrier fleet. VLOCs are built to exploit economies of scale on long-haul iron ore routes.

(ii) *Capesize*. Capesize vessels have a carrying capacity of 110,000-199,999 dwt. Only the largest ports around the world possess the infrastructure to accommodate vessels of this size. Capesize vessels are primarily used to transport iron ore or coal and, to a much lesser extent, grains, primarily on long-haul routes.

(iii) *Post-Panamax*. Post-Panamax vessels have a carrying capacity of 80,000-109,999 dwt. These vessels tend to have a shallower draft and larger beam than a standard Panamax vessel with a higher cargo capacity. These vessels have been designed specifically for loading high cubic cargoes from draught restricted ports, although they cannot transit the Panama Canal.

(iv) *Panamax*. Panamax vessels have a carrying capacity of 60,000-79,999 dwt. These vessels carry coal, iron ore, grains, and, to a lesser extent, minor bulks, including steel products, cement and fertilizers. Panamax vessels are able to pass through the Panama Canal, making them more versatile than larger vessels with regard to accessing different trade routes. Most Panamax and Post-Panamax vessels are "gearless," and therefore must be served by shore-based cargo handling equipment. However, there are a small number of geared vessels with onboard cranes, a feature that enhances trading flexibility and enables operation in ports which have poor infrastructure in terms of loading and unloading facilities.

(v) *Handymax/Supramax*. Handymax vessels have a carrying capacity of 40,000-59,999 dwt. These vessels operate in a large number of geographically dispersed global trade routes, carrying primarily grains and minor bulks. Within the Handymax category there is also a sub-sector known as Supramax. Supramax bulk carriers are ships between 50,000 to 59,999 dwt, normally offering cargo loading and unloading flexibility with on-board cranes, or "gear," while at the same time possessing the cargo carrying capability approaching conventional Panamax bulk carriers.

(vi) *Handysize*. Handysize vessels have a carrying capacity of up to 39,999 dwt. These vessels are primarily involved in carrying minor bulk cargoes. Increasingly, ships of this type operate within regional trading routes, and may serve as trans-shipment feeders for larger vessels. Handysize vessels are well suited for small ports with length and draft restrictions. Their cargo gear enables them to service ports lacking the infrastructure for cargo loading and unloading.

Other size categories occur in regional trade, such as Kamsarmax, with a maximum length of 229 meters, the maximum length that can load in the port of Kamsar in the Republic of Guinea. Other terms such as Seawaymax, Setouchmax, Dunkirkmax, and Newcastlemax also appear in regional trade.

The supply of dry bulk carriers is dependent on the delivery of new vessels and the removal of vessels from the global fleet, either through scrapping or loss. The level of scrapping activity is generally a function of scrapping prices in relation to current and prospective charter market conditions, as well as operating, repair and survey costs. The average age at which a vessel is scrapped was 28 years in 2023, 27 years in 2022 and 28 years in 2021.

The demand for dry bulk carrier capacity is determined by the underlying demand for commodities transported in dry bulk carriers, which in turn is influenced by trends in the global economy. Demand for dry bulk carrier capacity is also affected by the operating efficiency of the global fleet, along with port congestion, which has been a feature of the market since 2004, absorbing tonnage and therefore leading to a tighter balance between supply and demand. In evaluating demand factors for dry bulk carrier capacity, the Company believes that dry bulk carriers can be the most versatile element of the global shipping fleets in terms of employment alternatives.

Charter Hire Rates

Charter hire rates fluctuate by varying degrees among dry bulk carrier size categories. The volume and pattern of trade in a small number of commodities (major bulks) affect demand for larger vessels. Therefore, charter rates and vessel values of larger vessels often show greater volatility. Conversely, trade in a greater number of commodities (minor bulks) drives demand for smaller dry bulk carriers. Accordingly, charter rates and vessel values for those vessels are usually subject to less volatility.

Charter hire rates paid for dry bulk carriers are primarily a function of the underlying balance between vessel supply and demand, although at times other factors may play a role. Furthermore, the pattern seen in charter rates is broadly mirrored across the different charter types and the different dry bulk carrier categories. In the time charter market, rates vary depending on the length of the charter period and vessel-specific factors such as age, speed and fuel consumption.

In the voyage charter market, rates are, among other things, influenced by cargo size, commodity, port dues and canal transit fees, as well as commencement and termination regions. In general, a larger cargo size is quoted at a lower rate per ton than a smaller cargo size. Routes with costly ports or canals generally command higher rates than routes with low port dues and no canals to transit. Voyages with a load port within a region that includes ports where vessels usually discharge cargo or a discharge port within a region with ports where vessels load cargo also are generally quoted at lower rates, because such voyages generally increase vessel utilization by reducing the unloaded portion (or ballast leg) that is included in the calculation of the return charter to a loading area.

Within the dry bulk shipping industry, the charter hire rate references most likely to be monitored are the freight rate indices issued by the Baltic Exchange. These references are based on actual charter hire rates under charters entered into by market participants as well as daily assessments provided to the Baltic Exchange by a panel of major shipbrokers. The Baltic Panamax Index is the index with the longest history. The Baltic Capesize Index and Baltic Handymax Index are of more recent origin.

The Baltic Dry Index, or BDI, a daily average of charter rates in 20 shipping routes measured on a time charter and voyage basis and covering Capesize, Panamax, Supramax, and Handysize dry bulk carriers ranged in 2023 from a low of 530 on February 16, 2023 to a high of 3,346 on December 4, 2023. During the first months of 2024, BDI ranged from a low of 1,308 on January 17, 2024 to a high of 2,419 on March 18, 2024, and closed at 1,587 on April 10, 2024.

Vessel Prices

Dry bulk vessel values in 2023 generally were lower as compared to 2022. Consistent with these trends were the market values of our dry bulk carriers. Although charter rates and vessel values have started to improve in late 2023 and remain generally strong during the first months of 2024, there can be no assurance as to how long charter rates and vessel values will remain at their current levels or whether they will decrease or improve to any significant degree in the near future.

Competition

Our business fluctuates in line with the main patterns of trade of the major dry bulk cargoes and varies according to changes in the supply and demand for these items. We operate in markets that are highly competitive and based primarily on supply and demand. We compete for charters on the basis of price, vessel location, size, age and condition of the vessel, as well as on our reputation as an owner and operator. We compete with other owners of dry bulk carriers in the Capesize, Panamax, Post-Panamax and smaller class sectors as well as with owners of larger VLOCs and Newcastlemax dry bulk carriers. Ownership of dry bulk carriers is highly fragmented.

Permits and Authorizations

We are required by various governmental and quasi-governmental agencies to obtain certain permits, licenses and certificates with respect to our vessels. The kinds of permits, licenses and certificates required depend upon several factors, including the commodity transported, the waters in which the vessel operates the nationality of the vessel's crew and the age of a vessel. We have been able to obtain all permits, licenses and certificates currently required to permit our vessels to operate. Additional laws and regulations, environmental or otherwise, may be adopted which could limit our ability to do business or increase the cost of us doing business.

Environmental and Other Regulations in the Shipping Industry

Government regulation and laws significantly affect the ownership and operation of our fleet. We are subject to international conventions and treaties, national, state and local laws and regulations in force in the countries in which our vessels may operate or are registered relating to safety and health and environmental protection including the storage, handling, emission, transportation and discharge of hazardous and non-hazardous materials, and the remediation of contamination and liability for damage to natural resources. Compliance with such laws, regulations and other requirements entails significant expense, including vessel modifications and implementation of certain operating procedures.

A variety of government and private entities subject our vessels to both scheduled and unscheduled inspections. These entities include the local port authorities (applicable national authorities such as the United States Coast Guard ("USCG"), harbor master or equivalent), classification societies, flag state administrations (countries of registry) and charterers, particularly terminal operators. Certain of these entities require us to obtain permits, licenses, certificates and other authorizations for the operation of our vessels. Failure to maintain necessary permits or approvals could require us to incur substantial costs or result in the temporary suspension of the operation of one or more of our vessels.

Increasing environmental concerns have created a demand for vessels that conform to stricter environmental standards. We are required to maintain operating standards for all of our vessels that emphasize operational safety, quality maintenance, continuous training of our officers and crews and compliance with United States and international regulations. We believe that the operation of our vessels is in substantial compliance with applicable environmental laws and regulations and that our vessels have all material permits, licenses, certificates or other authorizations necessary for the conduct of our operations. However, because such laws and regulations frequently change and may impose increasingly stricter requirements, we cannot predict the ultimate cost of complying with these requirements, or the impact of these requirements on the resale value or useful lives of our vessels. In addition, a future serious marine incident that causes significant adverse environmental impact could result in additional legislation or regulation that could negatively affect our profitability.

International Maritime Organization

The International Maritime Organization, the United Nations agency for maritime safety and the prevention of pollution by vessels (the "IMO"), has adopted the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto, collectively referred to as MARPOL 73/78 and herein as "MARPOL," the International Convention for the Safety of Life at Sea of 1974 ("SOLAS Convention"), and the International Convention on Load Lines of 1966 (the "LL Convention"). MARPOL establishes environmental standards relating to oil leakage or spilling, garbage management, sewage, air emissions, handling and disposal of noxious liquids and the handling of harmful substances in packaged forms. MARPOL is applicable to dry bulk, tanker and LNG carriers, among other vessels, and is broken into six Annexes, each of which regulates a different source of pollution. Annex I relates to oil leakage and spilling; Annexes II and III relate to harmful substances carried in bulk in liquid or in packaged form, respectively; Annexes IV and V relate to sewage and garbage management, respectively; and Annex VI, lastly, relates to air emissions. Annex VI was separately adopted by the IMO in September of 1997; new emissions standards, titled IMO-2020, took effect on January 1, 2020.

Air Emissions

In September of 1997, the IMO adopted Annex VI to MARPOL to address air pollution from vessels. Effective May 2005, Annex VI sets limits on sulfur oxide and nitrogen oxide emissions from all commercial vessel exhausts and prohibits "deliberate emissions" of ozone depleting substances (such as halons and chlorofluorocarbons), emissions from shipboard incineration of specific substances. Annex VI also includes a global cap on the sulfur content of fuel oil and allows for special areas to be established with more stringent controls on sulfur emissions, as explained below. We ensure that all our vessels are currently compliant in all material respects with these regulations.

The Marine Environment Protection Committee, or "MEPC", adopted amendments to Annex VI regarding emissions of sulfur oxide, nitrogen oxide, particulate matter and ozone depleting substances, which entered into force on July 1, 2010. The amended Annex VI seeks to further reduce air pollution by, among other things, implementing a progressive reduction of the amount of sulfur contained in any fuel oil used on board ships. On October 27, 2016, at its 70th session, the MEPC agreed to implement a global 0.5% m/m sulfur oxide emissions limit (reduced from 3.5%) starting from January 1, 2020. This limitation can be met by using low-sulfur compliant fuel oil, alternative fuels, or certain exhaust gas cleaning systems. Ships are now required to obtain bunker delivery notes and International Air Pollution Prevention ("IAPP") Certificates from their flag states that specify sulfur content. Additionally, at MEPC 73, amendments to Annex VI to prohibit the carriage of bunkers above 0.5% sulfur on ships were adopted and took effect March 1, 2020, with the exception of vessels fitted with exhaust gas cleaning equipment ("scrubbers") which can carry fuel of higher sulfur content. These regulations subject ocean-going vessels to stringent emissions controls and may cause us to incur substantial costs as none of our vessels are fitted with scrubbers.

Sulfur content standards are even stricter within certain "Emission Control Areas," or ("ECAs"). As of January 1, 2015, ships operating within an ECA were not permitted to use fuel with sulfur content in excess of 0.1% m/m. Amended Annex VI establishes procedures for designating new ECAs. Currently, the IMO has designated four ECAs, including specified portions of the Baltic Sea area, North Sea area, North American area and United States Caribbean area. Ocean-going vessels in these areas will be subject to stringent emission controls and may cause us to incur additional costs. Other areas in China are subject to local regulations that impose stricter emission controls. In December 2021, the member states of the Convention for the Protection of the Mediterranean Sea Against Pollution ("Barcelona Convention") agreed to support the designation of a new ECA in the Mediterranean. On December 15, 2022, MEPC 79 adopted the designation of a new ECA in the Mediterranean, with an effective date of May 1, 2025. In July 2023, MEPC 80 announced three new ECA proposals, including the Canadian Arctic waters and the North-East Atlantic Ocean. If other ECAs are approved by the IMO, or other new or more stringent requirements relating to emissions from marine diesel engines or port operations by vessels are adopted by the U.S. Environmental Protection Agency ("EPA") or the states where we operate, compliance with these regulations could entail significant capital expenditures or otherwise increase the costs of our operations.

Amended Annex VI also establishes new tiers of stringent nitrogen oxide emissions standards for marine diesel engines, depending on their date of installation. At the MEPC meeting held from March to April 2014, amendments to Annex VI were adopted which address the date on which Tier III Nitrogen Oxide (NOx) standards in ECAs will go into effect. Under the amendments, Tier III NOx standards apply to ships that operate in the North American and U.S. Caribbean Sea ECAs designed for the control of NOx produced by vessels with a marine diesel engine installed and constructed on or after January 1, 2016. Tier III requirements could apply to areas that will be designated for Tier III NOx in the future. At MEPC 70 and MEPC 71, the MEPC approved the North Sea and Baltic Sea as ECAs for nitrogen oxide for ships built on or after January 1, 2021. For the moment, this regulation relates to new building vessels and has no retroactive application to existing fleet. The EPA promulgated equivalent (and in some senses stricter) emissions standards in 2010. As a result of these designations or similar future designations, we may be required to incur additional operating or other costs.

As determined at the MEPC 70, the new Regulation 22A of MARPOL Annex VI became effective as of March 1, 2018 and requires ships above 5,000 gross tonnage to collect and report annual data on fuel oil consumption to an IMO database, with the first year of data collection having commenced on January 1, 2019. The IMO intends to use such data as the first step in its roadmap (through 2023) for developing its strategy to reduce greenhouse gas emissions from ships, as discussed further below.

As of January 1, 2013, MARPOL made mandatory certain measures relating to energy efficiency for ships. All ships are now required to develop and implement a Ship Energy Efficiency Management Plans ("SEEMPs"), and new ships must be designed in compliance with minimum energy efficiency levels per capacity mile as defined by the Energy Efficiency Design Index ("EEDI"). Under these measures, by 2025, all new ships built will be 30% more energy efficient than those built in 2014. MEPC 75 adopted amendments to MARPOL Annex VI which brings forward the effective date of the EEDI's "phase 3" requirements from January 1, 2025 to April 1, 2022 for several ship types, including gas carriers, general cargo ships, and LNG carriers.

Additionally, MEPC 75 introduced draft amendments to Annex VI which impose new regulations to reduce greenhouse gas emissions from ships. These amendments introduce requirements to assess and measure the energy efficiency of all ships and set the required attainment values, with the goal of reducing the carbon intensity of international shipping. The requirements include (1) a technical requirement to reduce carbon intensity based on a new Energy Efficiency Existing Ship Index ("EEXI"), and (2) operational carbon intensity reduction requirements, based on a new operational carbon intensity indicator ("CII"). The attained EEXI is required to be calculated for ships of 400 gross tonnage and above, in accordance with different values set for ship types and categories. With respect to the CII, the draft amendments would require ships of 5,000 gross tonnage to document and verify their actual annual operational CII achieved against a determined required annual operational CII. Additionally, MEPC 75 proposed draft amendments requiring that, on or before January 1, 2023, all ships above 400 gross tonnage must have an approved SEEMP on board. For ships above 5,000 gross tonnage, the SEEMP would need to include certain mandatory content. MEPC 75 also approved draft amendments to MARPOL Annex I to prohibit the use and carriage for use as fuel of heavy fuel oil ("HFO") by ships in Arctic waters on and after July 1, 2024. The draft amendments introduced at MEPC 75 were adopted at the MEPC 76 session on June 2021 and entered into force on November 1, 2022, with the requirements for EEXI and CII certification coming into effect from January 1, 2023. MEPC 77 adopted a non-binding resolution which urges Member States and ship operators to voluntarily use distillate or other cleaner alternative fuels or methods of propulsion that are safe for ships and could contribute to the reduction of Black Carbon emissions from ships when operating in or near the Arctic. MEPC 79 adopted amendments to MARPOL Annex VI, Appendix IX to include the attained and required CII values, the CII rating and attained EEXI for existing ships in the required information to be submitted to the IMO Ship Fuel Oil Consumption Database. MEPC 79 revised the EEDI calculation guidelines to include a CO2 conversion factor for ethane, a reference to the updated ITCC guidelines, and a clarification that in case of a ship with multiple load line certificates, the maximum certified summer draft should be used when determining the deadweight. The amendments will enter into force on May 1, 2024. In July 2023, MEPC 80 approved the plan for reviewing CII regulations and guidelines, which must be completed at the latest by January 1, 2026. There will be no immediate changes to the CII framework, including correction factors and voyage adjustments, before the review is completed.

To ensure compliance with EEXI requirements most owners/operators, including us, may choose to limit engine power, a solution less costly than applying energy saving devices and/ or effecting certain alterations on existing propeller designs. The engine power limitation is predicted to lead to reduced ballast and laden speeds (at scantling draft,) in the non-compliant vessels which will affect their commercial utilization but also decrease the global availability of vessel capacity. Furthermore, required software and hardware alterations as well as documentation and recordkeeping requirements will increase a vessel's capital and operating expenditures. As of the date of this annual report and since January 1, 2023, official calculations had determined that our vessels were in compliance with the EEXI requirements.

We may incur costs to comply with these revised standards. Additional or new conventions, laws and regulations may be adopted that could require the installation of expensive emission control systems and could adversely affect our business, results of operations, cash flows and financial condition.

Safety Management System Requirements

The SOLAS Convention was amended to address the safe manning of vessels and emergency training drills. The Convention of Limitation of Liability for Maritime Claims (the "LLMC") sets limitations of liability for a loss of life or personal injury claim or a property claim against ship owners. We believe that our vessels are in substantial compliance with SOLAS and LLMC standards.

Under Chapter IX of the SOLAS Convention, or the International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (the "ISM Code"), our operations are also subject to environmental standards and requirements. The ISM Code requires the party with operational control of a vessel to develop an extensive safety management system that includes, among other things, the adoption of a safety and environmental protection policy setting forth instructions and procedures for operating its vessels safely and describing procedures for responding to emergencies. We rely upon the safety management system that we and our technical management team have developed for compliance with the ISM Code. The failure of a vessel owner or bareboat charterer to comply with the ISM Code may subject such party to increased liability, may decrease available insurance coverage for the affected vessels and may result in a denial of access to, or detention in, certain ports.

The ISM Code requires that vessel operators obtain a safety management certificate for each vessel they operate. This certificate evidences compliance by a vessel's management with the ISM Code requirements for a safety management system. No vessel can obtain a safety management certificate unless its manager has been awarded a document of compliance, issued by each flag state, under the ISM Code. DWM has obtained applicable documents of compliance and safety management certificates for all of our vessels for which the certificates are required by the IMO. The documents of compliance and safety management certificate are renewed as required.

Regulation II-1/3-10 of the SOLAS Convention governs ship construction and stipulates that ships over 150 meters in length must have adequate strength, integrity and stability to minimize risk of loss or pollution. Goal-based standards amendments in SOLAS regulation II-1/3-10 entered into force in 2012, with July 1, 2016 set for application to new oil tankers and bulk carriers. The SOLAS Convention regulation II-1/3-10 on goal-based ship construction standards for bulk carriers and oil tankers, which entered into force on January 1, 2012, requires that all oil tankers and bulk carriers of 150 meters in length and above, for which the building contract is placed on or after July 1, 2016, satisfy applicable structural requirements conforming to the functional requirements of the International Goal-based Ship Construction Standards for Bulk Carriers and Oil Tankers ("GBS Standards").

Amendments to the SOLAS Convention Chapter VII apply to vessels transporting dangerous goods and require those vessels be in compliance with the International Maritime Dangerous Goods Code ("IMDG Code"). Effective January 1, 2018, the IMDG Code includes (1) updates to the provisions for radioactive material, reflecting the latest provisions from the International Atomic Energy Agency, (2) new marking, packing and classification requirements for dangerous goods, and (3) new mandatory training requirements. Amendments which took effect on January 1, 2020 also reflect the latest material from the UN Recommendations on the Transport of Dangerous Goods, including (1) new provisions regarding IMO type 9 tank, (2) new abbreviations for segregation groups, and (3) special provisions for carriage of lithium batteries and of vehicles powered by flammable liquid or gas. Additional amendments, which came into force on June 1, 2022, include (1) addition of a definition of dosage rate, (2) additions to the list of high consequence dangerous goods, (3) new provisions for medical/clinical waste, (4) addition of various ISO standards for gas cylinders, (5) a new handling code, and (6) changes to stowage and segregation provisions.

The IMO has also adopted the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers ("STCW"). As of February 2017, all seafarers are required to meet the STCW standards and be in possession of a valid STCW certificate. Flag states that have ratified SOLAS and STCW generally employ the classification societies, which have incorporated SOLAS and STCW requirements into their class rules, to undertake surveys to confirm compliance.

The IMO's Maritime Safety Committee and MEPC, respectively, each adopted relevant parts of the International Code for Ships Operating in Polar Water (the "Polar Code"). The Polar Code, which entered into force on January 1, 2017, covers design, construction, equipment, operational, training, search and rescue as well as environmental protection matters relevant to ships operating in the waters surrounding the two poles. It also includes mandatory measures regarding safety and pollution prevention as well as recommendatory provisions. The Polar Code applies to new ships constructed after January 1, 2017, and after January 1, 2018, ships constructed before January 1, 2017 are required to meet the relevant requirements by the earlier of their first intermediate or renewal survey.

Furthermore, recent action by the IMO's Maritime Safety Committee and United States agencies indicates that cybersecurity regulations for the maritime industry are likely to be further developed in the near future in an attempt to combat cybersecurity threats. By IMO resolution, administrations are encouraged to ensure that cyber-risk management systems are incorporated by ship-owners and managers by their first annual Document of Compliance audit after January 1, 2021. In February 2021, the U.S. Coast Guard published guidance on addressing cyber risks in a vessel's safety management system. This might cause companies to create additional procedures for monitoring cybersecurity, which could require additional expenses and/or capital expenditures. The impact of future regulations is hard to predict at this time.

In June 2022, SOLAS also set out new amendments that took effect on January 1, 2024, which include new requirements for: (1) the design for safe mooring operations, (2) the Global Maritime Distress and Safety System ("GMDSS"), (3) watertight integrity, (4) watertight doors on cargo ships, (5) fault-isolation of fire detection systems, (6) life-saving appliances, and (7) safety of ships using LNG as fuel. These new requirements may impact the cost of our operations.

Pollution Control and Liability Requirements

The IMO has negotiated international conventions that impose liability for pollution in international waters and the territorial waters of the signatories to such conventions. For example, the IMO adopted an International Convention for the Control and Management of Ships' Ballast Water and Sediments, (the "BWM Convention"), in 2004. The BWM Convention entered into force on September 8, 2017. The BWM Convention requires ships to manage their ballast water to remove, render harmless, or avoid the uptake or discharge of new or invasive aquatic organisms and pathogens within ballast water and sediments. The BWM Convention's implementing regulations call for a phased introduction of mandatory ballast water exchange requirements, to be replaced in time with mandatory concentration limits, and require all ships to carry a ballast water record book and an international ballast water management certificate.

On December 4, 2013, the IMO Assembly passed a resolution revising the application dates of the BWM Convention so that the dates are triggered by the entry into force date and not the dates originally in the BWM Convention. This, in effect, makes all vessels delivered before the entry into force date "existing vessels" and allows for the installation of ballast water treatment systems on such vessels at the first International Oil Pollution Prevention ("IOPP") renewal survey following entry into force of the convention. The MEPC adopted updated guidelines for approval of ballast water treatment systems (G8) at MEPC 70. At MEPC 71, the schedule regarding the BWM Convention's implementation dates was also discussed and amendments were introduced to extend the date existing vessels are subject to certain ballast water standards. Those changes were adopted at MEPC 72. Ships over 400 gross tons generally must comply with a "D-1 standard," requiring the exchange of ballast water only in open seas and away from coastal waters. The "D-2 standard" specifies the maximum amount of viable organisms allowed to be discharged, and compliance dates vary depending on the IOPP renewal dates. Depending on the date of the IOPP renewal survey, existing vessels must comply with the D-2 standard on or after September 8, 2019. For most ships, compliance with the D-2 standard will involve installing on-board systems to treat ballast water and eliminate unwanted organisms. Ballast water treatment systems, which include systems that make use of chemical, biocides, organisms or biological mechanisms, or which alter the chemical or physical characteristics of the ballast water, must be approved in accordance with IMO Guidelines (Regulation D-3). As of October 13, 2019, MEPC 72's amendments to the BWM Convention took effect, making the Code for Approval of Ballast Water Treatment Systems, which governs assessment of ballast water treatment systems, mandatory rather than permissive, and formalized an implementation schedule for the D-2 standard. Under these amendments, all ships must meet the D-2 standard by September 8, 2024. Costs of compliance with these regulations may be substantial. Additionally, in November 2020, MEPC 75 adopted amendments to the BWM Convention which would require a commissioning test of the ballast water treatment system for the initial survey or when performing an additional survey for retrofits. This analysis will not apply to ships that already have an installed BWM system certified under the BWM Convention. These amendments have entered into force on June 1, 2022. In December 2022, MEPC 79 agreed that it should be permitted to use ballast tanks for temporary storage of treated sewage and grey water. MEPC 79 also established that ships are expected to return to D-2 compliance after experiencing challenging uptake water and bypassing a BWM system should only be used as a last resort. In July 2023, MEPC 80 approved a plan for a comprehensive review of the BWM Convention over the next three years and the corresponding development of a package of amendments to the Convention. MEPC 80 also adopted further amendments relating to Appendix II of the BWM Convention concerning the form of the Ballast Water Record Book, which are expected to enter into force in February 2025. A protocol for ballast water compliance monitoring devices and unified interpretation of the form of the BWM Convention certificate were also adopted.

Once mid-ocean exchange ballast water treatment requirements become mandatory under the BWM Convention, the cost of compliance could increase for ocean carriers and may have a material effect on our operations. However, many countries already regulate the discharge of ballast water carried by vessels from country to country to prevent the introduction of invasive and harmful species via such discharges. The U.S., for example, requires vessels entering its waters from another country to conduct mid-ocean ballast exchange, or undertake some alternate measure, and to comply with certain reporting requirements.

The IMO also adopted the International Convention on Civil Liability for Bunker Oil Pollution Damage (the "Bunker Convention") to impose strict liability on ship owners (including the registered owner, bareboat charterer, manager or operator) for pollution damage in jurisdictional waters of ratifying states caused by discharges of bunker fuel. The Bunker Convention requires registered owners of ships over 1,000 gross tons to maintain insurance for pollution damage in an amount equal to the limits of liability under the applicable national or international limitation regime (but not exceeding the amount calculated in accordance with the LLMC). With respect to non-ratifying states, liability for spills or releases of oil carried as fuel in ship's bunkers typically is determined by the national or other domestic laws in the jurisdiction where the events or damages occur. Ships are required to maintain a certificate attesting that they maintain adequate insurance to cover an incident. In jurisdictions, such as the United States where the Bunker Convention has not been adopted, various legislative schemes or common law govern, and liability is imposed either on the basis of fault or on a strict-liability basis.

Anti-Fouling Requirements

In 2001, the IMO adopted the International Convention on the Control of Harmful Anti-fouling Systems on Ships, or the "Anti-fouling Convention." The Anti-fouling Convention, which entered into force on September 17, 2008, prohibits the use of organotin compound coatings to prevent the attachment of mollusks and other sea life to the hulls of vessels. Vessels of over 400 gross tons engaged in international voyages will also be required to undergo an initial survey before the vessel is put into service or before an International Anti-fouling System Certificate, or "IAFS Certificate", is issued for the first time; and subsequent surveys when the anti-fouling systems are altered or replaced. Vessels of 24 meters in length or more but less than 400 gross tonnage engaged in international voyages will have to carry a Declaration on Anti-fouling Systems signed by the owner or authorized agent.

In November 2020, MEPC 75 approved draft amendments to the Anti-fouling Convention to prohibit anti-fouling systems containing cybutryne, which would apply to ships from January 1, 2023, or, for ships already bearing such an anti-fouling system, at the next scheduled renewal of the system after that date, but no later than 60 months following the last application to the ship of such a system. In addition, the IAFS Certificate has been updated to address compliance options for anti-fouling systems to address cybutryne. Ships which are affected by this ban on cybutryne must receive an updated IAFS Certificate no later than two years after the entry into force of these amendments. Ships which are not affected (i.e. with anti-fouling systems which do not contain cybutryne) must receive an updated IAFS Certificate at the next Anti-fouling application to the vessel. These amendments were formally adopted at MEPC 76 in June 2021 and entered into force on January 1, 2023.

We have obtained Anti-fouling System Certificates for all of our vessels that are subject to the Anti-fouling Convention.

Compliance Enforcement

Noncompliance with the ISM Code or other IMO regulations may subject the ship owner or bareboat charterer to increased liability, may lead to decreases in available insurance coverage for affected vessels and may result in the denial of access to, or detention in, some ports. The USCG and European Union authorities have indicated that vessels not in compliance with the ISM Code by applicable deadlines will be prohibited from trading in U.S. and European Union ports, respectively. As of the date of this annual report, each of our vessels is ISM Code certified. However, there can be no assurance that such certificates will be maintained in the future**.** The IMO continues to review and introduce new regulations. It is impossible to predict what additional regulations, if any, may be passed by the IMO and what effect, if any, such regulations might have on our operations.

U.S. Regulations

The U.S. Oil Pollution Act of 1990 and the Comprehensive Environmental Response, Compensation and Liability Act

The U.S. Oil Pollution Act of 1990 ("OPA") established an extensive regulatory and liability regime for the protection and cleanup of the environment from oil spills. OPA affects all "owners and operators" whose vessels trade or operate within the U.S., its territories and possessions or whose vessels operate in U.S. waters, which includes the U.S.'s territorial sea and its 200 nautical mile exclusive economic zone around the U.S. The U.S. has also enacted the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), which applies to the discharge of hazardous substances other than oil, except in limited circumstances, whether on land or at sea. OPA and CERCLA both define "owner and operator" in the case of a vessel as any person owning, operating or chartering by demise, the vessel. Both OPA and CERCLA impact our operations.

Under OPA, vessel owners and operators are "responsible parties" and are jointly, severally and strictly liable (unless the spill results solely from the act or omission of a third party, an act of God or an act of war) for all containment and clean-up costs and other damages arising from discharges or threatened discharges of oil from their vessels, including bunkers (fuel). OPA defines these other damages broadly to include:

- injury to, destruction or loss of, or loss of use of, natural resources and related assessment costs;
- injury to, or economic losses resulting from, the destruction of real and personal property;
- loss of subsistence use of natural resources that are injured, destroyed or lost;
- net loss of taxes, royalties, rents, fees or net profit revenues resulting from injury, destruction or loss of real or personal property, or natural resources;
- lost profits or impairment of earning capacity due to injury, destruction or loss of real or personal property or natural resources; and
- net cost of increased or additional public services necessitated by removal activities following a discharge of oil, such as protection from fire, safety or health hazards, and loss of subsistence use of natural resources.

OPA contains statutory caps on liability and damages; such caps do not apply to direct cleanup costs. Effective November 12, 2019, the USCG adjusted the limits of OPA liability for non-tank vessels, edible oil tank vessels, and any oil spill response vessels, to the greater of $1,200 per gross ton or $997,100 (subject to periodic adjustment for inflation). On December 23, 2022, the USCG issued a final rule to adjust the limitation of liability under the OPA. Effective March 23, 2022, the new adjusted limits of OPA liability for non-tank vessels, edible oil tank vessels, and any oil spill response vessels, to the greater of $1,300 per gross ton or $1,076,000 (subject to periodic adjustment for inflation).

These limits of liability do not apply if an incident was proximately caused by the violation of an applicable U.S. federal safety, construction or operating regulation by a responsible party (or its agent, employee or a person acting pursuant to a contractual relationship), or a responsible party's gross negligence or willful misconduct. The limitation on liability similarly does not apply if the responsible party fails or refuses to (i) report the incident as required by law where the responsible party knows or has reason to know of the incident; (ii) reasonably cooperate and assist as requested in connection with oil removal activities; or (iii) without sufficient cause, comply with an order issued under the Federal Water Pollution Act (Section 311 (c), (e)) or the Intervention on the High Seas Act.

CERCLA contains a similar liability regime whereby owners and operators of vessels are liable for cleanup, removal and remedial costs, as well as damages for injury to, or destruction or loss of, natural resources, including the reasonable costs associated with assessing the same, and health assessments or health effects studies. There is no liability if the discharge of a hazardous substance results solely from the act or omission of a third party, an act of God or an act of war. Liability under CERCLA is limited to the greater of $300 per gross ton or $5.0 million for vessels carrying a hazardous substance as cargo and the greater of $300 per gross ton or $500,000 for any other vessel. These limits do not apply (rendering the responsible person liable for the total cost of response and damages) if the release or threat of release of a hazardous substance resulted from willful misconduct or negligence, or the primary cause of the release was a violation of applicable safety, construction or operating standards or regulations. The limitation on liability also does not apply if the responsible person fails or refused to provide all reasonable cooperation and assistance as requested in connection with response activities where the vessel is subject to OPA.

OPA and CERCLA each preserve the right to recover damages under existing law, including maritime tort law. OPA and CERCLA both require owners and operators of vessels to establish and maintain with the USCG evidence of financial responsibility sufficient to meet the maximum amount of liability to which the particular responsible person may be subject. Vessel owners and operators may satisfy their financial responsibility obligations by providing a proof of insurance, a surety bond, qualification as a self-insurer or a guarantee. We comply and plan to comply going forward with the USCG's financial responsibility regulations by providing applicable certificates of financial responsibility.

The 2010 *Deepwater Horizon* oil spill in the Gulf of Mexico resulted in additional regulatory initiatives or statutes, including higher liability caps under OPA, new regulations regarding offshore oil and gas drilling, and a pilot inspection program for offshore facilities. However, several of these initiatives and regulations have been or may be revised. For example, the U.S. Bureau of Safety and Environmental Enforcement's ("BSEE") revised Production Safety Systems Rule ("PSSR"), effective December 27, 2018, modified and relaxed certain environmental and safety protections under the 2016 PSSR. Additionally, the BSEE amended the Well Control Rule, effective July 15, 2019, which rolled back certain reforms regarding the safety of drilling operations, and the former U.S. President Trump had proposed leasing new sections of U.S. waters to oil and gas companies for offshore drilling. In January 2021, U.S. President Biden signed an executive order temporarily blocking new leases for oil and gas drilling in federal waters. However, attorney generals from 13 states filed suit in March 2021 to lift the executive order, and in June 2021, a federal judge in Louisiana granted a preliminary injunction against the Biden administration, stating that the power to pause offshore oil and gas leases "lies solely with Congress." In August 2022, a federal judge in Louisiana sided with Texas Attorney General Ken Paxton, along with the other 12 plaintiff states, by issuing a permanent injunction against the Biden Administration's moratorium on oil and gas leasing on federal public lands and offshore waters. After being blocked by the courts, in September 2023, the Biden administration announced a scaled back offshore oil drilling plan, including just three oil lease sales in the Gulf of Mexico. With these rapid changes, compliance with any new requirements of OPA and future legislation or regulations applicable to the operation of our vessels could impact the cost of our operations and adversely affect our business.

OPA specifically permits individual states to impose their own liability regimes with regard to oil pollution incidents occurring within their boundaries, provided they accept, at a minimum, the levels of liability established under OPA and some states have enacted legislation providing for unlimited liability for oil spills. Many U.S. states that border a navigable waterway have enacted environmental pollution laws that impose strict liability on a person for removal costs and damages resulting from a discharge of oil or a release of a hazardous substance. These laws may be more stringent than U.S. federal law. Moreover, some states have enacted legislation providing for unlimited liability for discharge of pollutants within their waters, although in some cases, states which have enacted this type of legislation have not yet issued implementing regulations defining vessel owners' responsibilities under these laws. The Company intends to comply with all applicable state regulations in the ports where the Company's vessels call.

We currently maintain pollution liability coverage insurance in the amount of $1 billion per incident for each of our vessels. If the damages from a catastrophic spill were to exceed our insurance coverage, it could have an adverse effect on our business and results of operation.

Other United States Environmental Initiatives

The U.S. Clean Air Act of 1970 (including its amendments of 1977 and 1990) ("CAA") requires the EPA to promulgate standards applicable to emissions of volatile organic compounds and other air contaminants. The CAA requires states to adopt State Implementation Plans, or SIPs, some of which regulate emissions resulting from vessel loading and unloading operations which may affect our vessels.

The U.S. Clean Water Act ("CWA") prohibits the discharge of oil, hazardous substances and ballast water in U.S. navigable waters unless authorized by a duly issued permit or exemption and imposes strict liability in the form of penalties for any unauthorized discharges. The CWA also imposes substantial liability for the costs of removal, remediation and damages and complements the remedies available under OPA and CERCLA. In 2015, the EPA expanded the definition of "waters of the United States" ("WOTUS"), thereby expanding federal authority under the CWA. Following litigation on the revised WOTUS rule, in December 2018, the EPA and Department of the Army proposed a revised, limited definition of WOTUS. In 2019 and 2020, the agencies repealed the prior WOTUS Rule and promulgated the Navigable Waters Protection Rule ("NWPR") which significantly reduced the scope and oversight of EPA and the Department of the Army in traditionally non navigable waterways. On August 30, 2021, a federal district court in Arizona vacated the NWPR and directed the agencies to replace the rule with the pre-2015 definition. In January 2023, the revised WOTUS rule was codified in place of the vacated NWPR. On May 25, 2023, the United States Supreme Court ruled in the case *Sackett v. EPA* that only wetlands and permanent bodies of water with a "continuous surface connection" to "traditional interstate navigable waters" are covered by the CWA, further narrowing the application of the WOTUS rule. In August 2023, the EPA and the Department of Army issued the final WOTUS rule, effective on September 8, 2023, that largely reinstated the pre-2015 definition and applied the *Sackett* ruling.

The EPA and the USCG have also enacted rules relating to ballast water discharge, compliance with which requires the installation of equipment on our vessels to treat ballast water before it is discharged or the implementation of other port facility disposal arrangements or procedures at potentially substantial costs, and/or otherwise restrict our vessels from entering U.S. Waters. The EPA will regulate these ballast water discharges and other discharges incidental to the normal operation of certain vessels within United States waters pursuant to the Vessel Incidental Discharge Act ("VIDA"), which was signed into law on December 4, 2018 and replaces the 2013 Vessel General Permit ("VGP") program (which authorizes discharges incidental to operations of commercial vessels and contains numeric ballast water discharge limits for most vessels to reduce the risk of invasive species in U.S. waters, stringent requirements for exhaust gas scrubbers, and requirements for the use of environmentally acceptable lubricants) and current Coast Guard ballast water management regulations adopted under the U.S. National Invasive Species Act ("NISA"), such as mid-ocean ballast exchange programs and installation of approved USCG technology for all vessels equipped with ballast water tanks bound for U.S. ports or entering U.S. waters. VIDA establishes a new framework for the regulation of vessel incidental discharges under Clean Water Act (CWA), requires the EPA to develop performance standards for those discharges within two years of enactment, and requires the U.S. Coast Guard to develop implementation, compliance, and enforcement regulations within two years of EPA's promulgation of standards. Under VIDA, all provisions of the 2013 VGP and USCG regulations regarding ballast water treatment remain in force and effect until the EPA and U.S. Coast Guard regulations are finalized. Non-military, non-recreational vessels greater than 79 feet in length must continue to comply with the requirements of the VGP, including submission of a Notice of Intent ("NOI") or retention of a PARI form and submission of annual reports. We have submitted NOIs for our vessels where required. Compliance with the EPA, U.S. Coast Guard and state regulations could require the installation of ballast water treatment equipment on our vessels or the implementation of other port facility disposal procedures at potentially substantial cost, or may otherwise restrict our vessels from entering U.S. waters.

European Union Regulations

In October 2009, the European Union amended a directive to impose criminal sanctions for illicit ship-source discharges of polluting substances, including minor discharges, if committed with intent, recklessly or with serious negligence and the discharges individually or in the aggregate result in deterioration of the quality of water. Aiding and abetting the discharge of a polluting substance may also lead to criminal penalties. The directive applies to all types of vessels, irrespective of their flag, but certain exceptions apply to warships or where human safety or that of the ship is in danger. Criminal liability for pollution may result in substantial penalties or fines and increased civil liability claims. Regulation (EU) 2015/757 of the European Parliament and of the Council of April 29, 2015 (amending EU Directive 2009/16/EC) governs the monitoring, reporting and verification of carbon dioxide emissions from maritime transport, and, subject to some exclusions, requires companies with ships over 5,000 gross tonnage to monitor and report carbon dioxide emissions annually, which may cause us to incur additional expenses.

The European Union has adopted several regulations and directives requiring, among other things, more frequent inspections of high-risk ships, as determined by type, age, and flag as well as the number of times the ship has been detained. The European Union also adopted and extended a ban on substandard ships and enacted a minimum ban period and a definitive ban for repeated offenses. The regulation also provided the European Union with greater authority and control over classification societies, by imposing more requirements on classification societies and providing for fines or penalty payments for organizations that failed to comply. Furthermore, the EU has implemented regulations requiring vessels to use reduced sulfur content fuel for their main and auxiliary engines. The EU Directive 2005/33/EC (amending Directive 1999/32/EC) introduced requirements parallel to those in Annex VI relating to the sulfur content of marine fuels. In addition, the EU imposed a 0.1% maximum sulfur requirement for fuel used by ships at berth in the Baltic, the North Sea and the English Channel (the so called "SOx-Emission Control Area"). As of January 2020, EU member states must also ensure that ships in all EU waters, except the SOx-Emission Control Area, use fuels with a 0.5% maximum sulfur content.

On September 15, 2020, the European Parliament voted to include greenhouse gas emissions from the maritime sector in the European Union's carbon market, the EU Emissions Trading System ("EU ETS") as part of its "Fit-for-55" legislation to reduce net greenhouse gas emissions by at least 55% by 2030. On July 14, 2021, the European Parliament formally proposed its plan, which would involve gradually including the maritime sector from 2023 and phasing the sector in over a three-year period. This will require shipowners to buy permits to cover these emissions. The Environment Council adopted a general approach on the proposal in June 2022. On December 18, 2022, the Environmental Council and European Parliament agreed to include maritime shipping emissions within the scope of the EU ETS on a gradual introduction of obligations for shipping companies to surrender allowances equivalent to a portion of their carbon emissions: 40% for verified emissions from 2024, 70% for 2025 and 100% for 2026. Most large vessels will be included in the scope of the EU ETS from the start. Big offshore vessels of 5,000 gross tonnage and above will be included in the 'MRV' on the monitoring, reporting and verification of CO2 emissions from maritime transport regulation from 2025 and in the EU ETS from 2027. In January 2024, the EU ETS was extended to cover CO2 emissions from all large ships (of 5,000 gross tonnage and above) entering EU ports regardless of the flag they fly and will apply to methane and nitrous oxide emissions beginning in 2026. Shipping companies will need to buy allowances that correspond to the emissions covered by the system. General cargo vessels and off-shore vessels between 400-5,000 gross tonnage will be included in the MRV regulation from 2025 and their inclusion in EU ETS will be reviewed in 2026. Furthermore, starting from January 1, 2026, the ETS regulations will expand to include emissions of two additional greenhouse gases: nitrous oxide and methane. Compliance with the Maritime EU ETS will result in additional compliance and administration costs to properly incorporate the provisions of the Directive into our business routines. Additional EU regulations which are part of the EU's "Fit-for-55," could also affect our financial position in terms of compliance and administration costs when they take effect.

International Labor Organization

The International Labor Organization (the "ILO") is a specialized agency of the UN that has adopted the Maritime Labor Convention 2006 ("MLC 2006"). A Maritime Labor Certificate and a Declaration of Maritime Labor Compliance is required to ensure compliance with the MLC 2006 for all ships that are 500 gross tonnage or over and are either engaged in international voyages or flying the flag of a Member and operating from a port, or between ports, in another country. We believe that all our vessels are in substantial compliance with and are certified to meet MLC 2006.

Greenhouse Gas Regulation

Currently, the emissions of greenhouse gases from international shipping are not subject to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, which entered into force in 2005 and pursuant to which adopting countries have been required to implement national programs to reduce greenhouse gas emissions with targets extended through 2020. International negotiations are continuing with respect to a successor to the Kyoto Protocol, and restrictions on shipping emissions may be included in any new treaty. In December 2009, more than 27 nations, including the U.S. and China, signed the Copenhagen Accord, which includes a non-binding commitment to reduce greenhouse gas emissions. The 2015 United Nations Climate Change Conference in Paris resulted in the Paris Agreement, which entered into force on November 4, 2016 and does not directly limit greenhouse gas emissions from ships. The U.S. initially entered into the agreement, but on June 1, 2017, the former U.S. President Trump announced that the United States intends to withdraw from the Paris Agreement, and the withdrawal became effective on November 4, 2020. On January 20, 2021, U.S. President Biden signed an executive order to rejoin the Paris Agreement, which the U.S. officially rejoined on February 19, 2021.

At MEPC 70 and MEPC 71, a draft outline of the structure of the initial strategy for developing a comprehensive IMO strategy on reduction of greenhouse gas emissions from ships was approved. In accordance with this roadmap, in April 2018, nations at the MEPC 72 adopted an initial strategy to reduce greenhouse gas emissions from ships. The initial strategy identifies "levels of ambition" to reducing greenhouse gas emissions, including (1) decreasing the carbon intensity from ships through implementation of further phases of the EEDI for new ships; (2) reducing carbon dioxide emissions per transport work, as an average across international shipping, by at least 40% by 2030, pursuing efforts towards 70% by 2050, compared to 2008 emission levels; and (3) reducing the total annual greenhouse emissions by at least 50% by 2050 compared to 2008 while pursuing efforts towards phasing them out entirely. The initial strategy notes that technological innovation, alternative fuels and/or energy sources for international shipping will be integral to achieve the overall ambition. These regulations could cause us to incur additional substantial expenses. At MEPC 77, the Member States agreed to initiate the revision of the Initial IMO Strategy on Reduction of GHG emissions from ships, recognizing the need to strengthen the ambition during the revision process. In July 2023, MEPC 80 adopted a revised strategy, which includes an enhanced common ambition to reach net-zero greenhouse gas emissions from international shipping around or close to 2050, a commitment to ensure an uptake of alternative zero and near-zero greenhouse gas fuels by 2030, as well as i) reducing the total annual greenhouse gas emissions from international shipping by at least 20%, striving for 30%, by 2030, compared to 2008; and ii) reducing the total annual greenhouse gas emissions from international shipping by at least 70%, striving for 80%, by 2040, compared to 2008.

The EU made a unilateral commitment to reduce overall greenhouse gas emissions from its member states from 20% of 1990 levels by 2020. The EU also committed to reduce its emissions by 20% under the Kyoto Protocol's second period from 2013 to 2020. Starting in January 2018, large ships over 5,000 gross tonnage calling at EU ports are required to collect and publish data on carbon dioxide emissions and other information. Under the European Climate Law, the EU committed to reduce its net greenhouse gas emissions by at least 55% by 2030 through its "Fit-for-55" legislation package. As part of this initiative, regulations relating to the inclusion of greenhouse gas emissions from the maritime sector in the European Union's carbon market are also forthcoming.

Any passage of climate control legislation or other regulatory initiatives by the IMO, the EU, the U.S. or other countries where we operate, or any treaty adopted at the international level to succeed the Kyoto Protocol or Paris Agreement, that restricts emissions of greenhouse gases could require us to make significant financial expenditures which we cannot predict with certainty at this time. Even in the absence of climate control legislation, our business may be indirectly affected to the extent that climate change may result in sea level changes or certain weather events.

Vessel Security Regulations

Since the terrorist attacks of September 11, 2001 in the United States, there have been a variety of initiatives intended to enhance vessel security such as the U.S. Maritime Transportation Security Act of 2002 ("MTSA"). To implement certain portions of the MTSA, the USCG issued regulations requiring the implementation of certain security requirements aboard vessels operating in waters subject to the jurisdiction of the United States and at certain ports and facilities, some of which are regulated by the EPA.

Similarly, Chapter XI-2 of the SOLAS Convention imposes detailed security obligations on vessels and port authorities and mandates compliance with the International Ship and Port Facility Security Code ("the ISPS Code"). The ISPS Code is designed to enhance the security of ports and ships against terrorism. To trade internationally, a vessel must attain an International Ship Security Certificate ("ISSC") from a recognized security organization approved by the vessel's flag state. Ships operating without a valid certificate may be detained, expelled from, or refused entry at port until they obtain an ISSC. The various requirements, some of which are found in the SOLAS Convention, include, for example, on-board installation of automatic identification systems to provide a means for the automatic transmission of safety-related information from among similarly equipped ships and shore stations, including information on a ship's identity, position, course, speed and navigational status; on-board installation of ship security alert systems, which do not sound on the vessel but only alert the authorities on shore; the development of vessel security plans; ship identification number to be permanently marked on a vessel's hull; a continuous synopsis record kept onboard showing a vessel's history including the name of the ship, the state whose flag the ship is entitled to fly, the date on which the ship was registered with that state, the ship's identification number, the port at which the ship is registered and the name of the registered owner(s) and their registered address; and compliance with flag state security certification requirements.

The USCG regulations, intended to align with international maritime security standards, exempt non-U.S. vessels from MTSA vessel security measures, provided such vessels have on board a valid ISSC that attests to the vessel's compliance with the SOLAS Convention security requirements and the ISPS Code. Future security measures could have a significant financial impact on us. We intend to comply with the various security measures addressed by MTSA, the SOLAS Convention and the ISPS Code.

The cost of vessel security measures has also been affected by the escalation in the frequency of acts of piracy against ships, notably off the coast of Somalia, including the Gulf of Aden and Arabian Sea area. Substantial loss of revenue and other costs may be incurred as a result of detention of a vessel or additional security measures, and the risk of uninsured losses could significantly affect our business. Costs are incurred in taking additional security measures in accordance with Best Management Practices to Deter Piracy, notably those contained in the BMP5 industry standard.

Inspection by Flag administration and Classification Societies

The hull and machinery of every commercial vessel must be classed by a classification society authorized by its country of registry. The classification society certifies that a vessel is safe and seaworthy in accordance with the applicable rules and regulations of the country of registry of the vessel and SOLAS. Most insurance underwriters make it a condition for insurance coverage and lending that a vessel be certified "in class" by a classification society which is a member of the International Association of Classification Societies, the IACS. The IACS has adopted harmonized Common Structural Rules, or "the Rules", which apply to oil tankers and bulk carriers contracted for construction on or after July 1, 2015. The Rules attempt to create a level of consistency between IACS Societies. All of our vessels are certified as being "in class" by all the applicable Classification Societies (e.g., American Bureau of Shipping, Lloyd's Register of Shipping).

A vessel must undergo annual surveys, intermediate surveys, drydockings and special surveys. In lieu of a special survey, a vessel's machinery may be on a continuous survey cycle, under which the machinery would be surveyed periodically over a five-year period. Every vessel is also required to be drydocked every 30 to 36 months for inspection of the underwater parts of the vessel. In all cases, the interval between any two such examinations is not to exceed 36 months. If any vessel does not maintain its class and/or fails any annual survey, intermediate survey, drydocking or special survey, the vessel will be unable to carry cargo between ports and will be unemployable and uninsurable and could prevent us from obtaining secured financing on that vessel. Any such inability to carry cargo or be employed, or any such violation of covenants, could have a material adverse impact on our financial condition and results of operations.

Risk of Loss and Liability Insurance

General

The operation of any cargo vessel includes risks such as mechanical failure, physical damage, collision, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, piracy incidents, hostilities and labor strikes. In addition, there is always an inherent possibility of marine disaster, including oil spills and other environmental mishaps, and the liabilities arising from owning and operating vessels in international trade. OPA, which imposes virtually unlimited liability upon shipowners, operators and bareboat charterers of any vessel trading in the exclusive economic zone of the United States for certain oil pollution accidents in the United States, has made liability insurance more expensive for shipowners and operators trading in the United States market. We carry insurance coverage as customary in the shipping industry. However, not all risks can be insured, specific claims may be rejected, and we might not be always able to obtain adequate insurance coverage at reasonable rates.

While we maintain hull and machinery insurance, war risks insurance, protection and indemnity cover and freight, demurrage and defense cover for our operating fleet in amounts that we believe to be prudent to cover normal risks in our operations, we may not be able to achieve or maintain this level of coverage throughout a vessel's useful life. Furthermore, while we believe that our present insurance coverage is adequate, not all risks can be insured, and there can be no guarantee that any specific claim will be paid, or that we will always be able to obtain adequate insurance coverage at reasonable rates.

Hull & Machinery and War Risks Insurance

We maintain marine hull and machinery and war risks insurance, which cover, among other marine risks, the risk of actual or constructive total loss, for all of our vessels. Our vessels are each covered up to at least fair market value with the hull & machinery deductibles ranging to a maximum of $100,000 per vessel per incident for Panamax vessels and $150,000 per vessel per incident for the Capesize vessels.

Protection and Indemnity Insurance

Protection and indemnity insurance is provided by mutual protection and indemnity associations, or "P&I Associations," and covers our third-party liabilities in connection with our shipping activities. This includes third-party liability and other related expenses of injury or death of crew, passengers and other third parties, loss or damage to cargo, claims arising from collisions with other vessels, damage to other third-party property, pollution arising from oil or other substances, and salvage, towing and other related costs, including wreck removal. Protection and indemnity insurance is a form of mutual indemnity insurance, extended by protection and indemnity mutual associations, or "Clubs."

Our current protection and indemnity insurance coverage for pollution is $1 billion per vessel per incident. The 12 P&I Associations that comprise the International Group insure approximately 90% of the world's commercial tonnage and have entered into a pooling agreement to reinsure each association's liabilities. The International Group's website states that the Pool provides a mechanism for sharing all claims in excess of US$10 million up to, currently, approximately US$2.1 billion. As a member of a P&I Association, which is a member of the International Group, we are subject to Estimated Total Calls payable to the Associations based on our claim records as well as the claim records of all other members of the individual associations and members of the shipping pool of P&I Associations comprising the International Group. Our vessels may be subject to Supplementary calls which are calculated as a percentage of the net Estimated Total Calls for each year and after deducting any applicable rebates, laid up returns and other deductions. A decision to levy Supplementary calls is made by the Board of Directors of the Association at any time during or after the end of the relevant Policy Year. There is no limit to the number or amount of Supplementary Calls that can be levied in respect of a Policy Year. Supplementary calls, if any, are issued when they are announced and according to the period they relate to.

C. Organizational structure

OceanPal Inc. is the sole owner of all of the issued and outstanding shares of our subsidiaries. A list of our subsidiaries is filed as Exhibit 8.1 to this annual report on Form 20-F.

D. Property, plants and equipment

Our only material properties are the vessels in our fleet.

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

For a discussion of our results for the year ended December 31, 2022, compared to the period from January 1, 2021, through November 29, 2021 and the period from November 30, 2021 through December 31, 2021, please see "*Item 5 —A. Operating Results – Year ended December 31, 2022 compared to Period from January 1, 2021 through November 29, 2021 (2021 Predecessor Period) and Period from November 30, 2021 through December 31, 2021 (2021 Company Period)"*, contained in our annual report on Form 20-F for the year ended December 31, 2022, filed with the SEC on March 31, 2023.

The following management's discussion and analysis should be read in conjunction with our consolidated financial statements and the notes to these financial statements included in "*Item 18. Financial Statements*." This discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth in the section entitled "Risk Factors" and elsewhere in this annual report.

Lack of Historical Operating Data for Vessels before Their Acquisition

Vessels are generally acquired free of charter. Where a vessel has been under a voyage charter, the vessel is usually delivered to the buyer free of charter. It is rare in the shipping industry for the last charterer of the vessel in the hands of the seller to continue as the first charterer of the vessel in the hands of the buyer. In most cases, when a vessel is under time charter and the buyer wishes to assume that charter, the vessel cannot be acquired without the charterer's consent and the buyer entering into a separate direct agreement (called a "novation agreement") with the charterer to assume the charter. The purchase of a vessel itself does not transfer the charter because it is a separate service agreement between the vessel owner and the charterer.

Where we identify any intangible assets or liabilities associated with the acquisition of a vessel, we record all identified assets or liabilities at fair value. Fair value is determined by reference to market data. We value any asset or liability arising from the market value of the time charters assumed when a vessel is acquired. The amount to be recorded as an asset or liability at the date of vessel delivery is based on the difference between the current fair market value of the charter and the net present value of future contractual cash flows. When the present value of the time charter assumed is greater than the current fair market value of such charter, the difference is recorded as prepaid charter revenue. When the opposite situation occurs, any difference, capped to the vessel's fair value on a charter-free basis, is recorded as deferred revenue. Such assets and liabilities, respectively, are amortized as a reduction of, or an increase in, revenue over the period of the time charter assumed.

To the extent that we purchase a vessel and assume or renegotiate a related time charter, among others, we will be required to take the following steps before the vessel will be ready to commence operations:

a) obtain the charterer's consent to us as the new owner;

b) obtain the charterer's consent to a new technical manager;

c) in some cases, obtain the charterer's consent to a new flag for the vessel;

d) arrange for a new crew for the vessel, and where the vessel is on charter, in some cases, the crew must be approved by the charterer;

e) replace all hired equipment on board, such as gas cylinders and communication equipment;

f) negotiate and enter into new insurance contracts for the vessel through our own insurance brokers;

g) register the vessel under a flag state and perform the related inspections in order to obtain new trading certificates from the flag state;

h) implement a new planned maintenance program for the vessel; and

i) ensure that the new technical manager obtains new certificates for compliance with the safety and vessel security regulations of the flag state.

When we charter a vessel pursuant to a short, medium or long-term time charter agreement with varying rates, we recognize revenue on a straight-line basis, equal to the average revenue during the term of the charter.

The following discussion is intended to help you understand how acquisitions of vessels affect our business and results of operations.

Our business is mainly comprised of the following elements:

a) employment and operation of our vessels; and

b) management of the financial, general and administrative elements involved in the conduct of our business and ownership of our vessels.

The employment and operation of our vessels mainly require the following components:

a) vessel maintenance and repair;

b) crew selection and training;

c) vessel spares and stores supply;

d) contingency response planning;

e) onboard safety procedures auditing;

f) accounting;

g) vessel insurance arrangement;

h) vessel chartering;

i) vessel security training and security response plans (ISPS);

j) performing an ISM audit and obtaining of ISM certification for each vessel after taking over a vessel;

k) vessel hiring management;

l) vessel surveying; and

m) vessel performance monitoring.

The management of financial, general and administrative elements involved in the conduct of our business and ownership of our vessels mainly requires the following components:

- management of our financial resources, including banking relationships, i.e., administration of bank loans that we may enter into in the future and bank accounts;
- management of our accounting system and records and financial reporting;
- administration of the legal and regulatory requirements affecting our business and assets; and
- management of the relationships with our service providers and customers.

The principal factors that affect our profitability, cash flows and shareholders' return on investment include:

a) charter rates and charter periods;

b) levels of vessel operating expenses;

c) capital expenditures, dry-docking and special survey costs;

d) financing costs, if any;

e) geopolitical conditions such as the conflicts in Ukraine and the Middle East;

f) inflation; and

g) fluctuations in foreign exchange rates.

A. Operating results

We charter our vessels to customers pursuant to time charter trips with short to medium duration, although we may also charter our vessels in the spot market and on longer-term time charters.

Factors Affecting Our Results of Operations

Our results of operations are affected by numerous factors. The principal factors that have impacted the business during the fiscal periods presented in the following discussion and analysis and that are likely to continue to impact our business are the following:

Time Charter Revenues

Under our time charters, the charterer typically pays us a fixed daily charter hire rate and other compensation costs related to the charter contracts (such as ballast positioning compensation, holds cleaning compensation, etc.) and bears all voyage expenses, including the cost of bunkers (fuel oil) and port and canal charges. However, our voyage results may be affected by differences in bunker prices as we may incur gain/loss on bunkers when the cost of the bunker fuel sold to the new charterer is greater or less than the cost of the bunker fuel acquired. Our revenues are driven primarily by the number of vessels in our fleet, the number of days during which our vessels operate and the daily charter hire rates that our vessels earn under charters, which, in turn, are affected by a number of factors, including:

- the duration of our charters;
- our decisions relating to vessel acquisitions and disposals;
- the amount of time that we spend positioning our vessels;
- the amount of time that our vessels spend in undergoing drydock and/or special survey repairs;
- foreseen and unforeseen maintenance and upgrade work;
- the age, condition and specifications of our vessels;
- levels of supply and demand in the dry bulk shipping industry; and
- other factors affecting spot market charter rates for our dry bulk carriers.

Vessels operating on time charters for a certain period of time provide more predictable cash flows over that period of time but can yield lower profit margins than vessels operating in the spot charter market during periods characterized by favorable market conditions. Vessels operating in the spot charter market generate revenues that are less predictable but may enable their owners to capture increased profit margins during periods of improvements in charter rates although their owners would be exposed to the risk of declining charter rates, which may have a materially adverse impact on financial performance. As we employ vessels on period charters, future spot charter rates may be higher or lower than the rates at which we have employed our vessels on period charters. Our time charter agreements subject us to counterparty risk. In depressed market conditions, charterers may seek to renegotiate the terms of their existing charter parties or avoid their obligations under those contracts. Should a counterparty fail to honor their obligations under agreements with us, we could sustain significant losses which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Voyage Expenses

We incur voyage expenses that primarily consist of commissions and any gains or losses related to bunker prices as all our vessels are typically employed under time charters that require the charterer to bear voyage expenses such as bunkers (fuel oil), port and canal charges. Although the charterer bears the cost of bunkers, our voyage expenses may be affected by differences in bunker prices, and we may record a gain or a loss deriving from such price differences as well as bunker consumption costs during periods when our vessels are repositioning, off-hire or idle. When a vessel is delivered to a charterer, bunkers are purchased by the charterer and sold back to us on the redelivery of the vessel. Bunkers' gain, or loss, results when a vessel is redelivered by her charterer and delivered to the next charterer at different bunker prices, or quantities. We pay commissions on each charter to one or more unaffiliated ship brokers for arranging our charters. In addition, we pay commissions to DWM and Steamship for the provision of management and brokerage services, pursuant to the terms of our management agreements (see also "Item 7. *Major Shareholders and Related Party Transactions – B. Related Party Transactions".*)

Vessel Operating Expenses

We remain responsible for paying the vessels' operating expenses, including the cost of crewing, insuring, repairing and maintaining the vessel, the costs of spares and consumable stores, tonnage taxes, environmental and safety expenses. Our vessel operating expenses are expensed as incurred. Our vessel operating expenses generally represent fixed costs. Expenses for repairs and maintenance tend to fluctuate from period to period because most repair and maintenance works typically occur during periodic dry-dockings or special surveys. Our ability to control our vessels' operating expenses also affects our financial results.

Vessel Depreciation

The cost of our vessels is depreciated on a straight-line basis over the estimated useful life of each vessel. Depreciation is based on the cost of the vessel less its estimated salvage value. We estimate the useful life of our dry bulk vessels to be 25 years from the date of initial delivery from the shipyard, which we believe is common in the dry bulk shipping industry. Furthermore, we estimate the salvage values of our vessels based on historical average prices of the cost of the light-weight ton of vessels being scrapped, which we believe is common in the dry bulk shipping industry. In 2023, we identified that the estimated scrap rate used for the determination of annual depreciation was not in line with the current average historical rate and as such, the estimated scrap rate was revised from $250 per lightweight ton to $400 per lightweight ton. For 2023, this increase in salvage values has reduced depreciation and net loss by approximately $0.92 million. A decrease in the useful life of a vessel or in its salvage value would have the effect of increasing the annual depreciation charge. When regulations place limitations on the ability of a vessel to trade on a worldwide basis, the vessel's useful life is adjusted at the date such regulations are adopted.

General and Administrative Expenses

We incur general and administrative expenses which include compensation and fees towards our directors and consultants, restricted stock awards amortization cost, lumpsum brokerage fees, traveling, directors' and officers' insurance, promotional and other expenses of a listed public company, such as legal and professional expenses and other general corporate expenses. These expenses are relatively fixed and are not widely affected by the size of our fleet.

Results of Operations

(in millions of U.S. dollars) except for share and per share data	For the year ended December 31, 2023	For the year ended December 31, 2022
Results of Operations		
Time charter revenues	$ 18.96	$ 19.09
Voyage Expenses	(1.94)	(3.68)
Vessel Operating Expenses	(10.42)	(6.88)
Depreciation and amortization of deferred charges	(7.67)	(4.90)
General and Administrative expenses	(5.28)	(3.08)
Management fees to related parties	(1.24)	(0.88)
Change in fair value of warrants' liability	6.22	-
Finance costs	(0.91)	-
Interest income	0.50	-
Net loss and comprehensive loss	(1.98)	(0.33)
Net loss and comprehensive loss attributable to common stockholders	$ (6.71)	$ (2.67)
Loss per share, basic	(2.02)	(17.18)
Loss per share, diluted	(3.83)	(17.18)
Weighted average number of common shares, basic	3,315,519	155,655
Weighted average number of common shares, diluted	3,372,207	155,655

Year ended December 31, 2023, compared to the year ended December 31, 2022

Time Charter Revenues. Time charter revenues decreased by $0.13 million, to $18.96 million in 2023, from $19.09 million in 2022, primarily as a result of the decrease in our average time charter rates during 2023, which was partially offset by the increase in our operating days to 1,691 in 2023 from 1,117 in 2022, due to the increased size of our fleet.

Voyage Expenses. Voyage expenses decreased by $1.74 million, to $1.94 million in 2023, from $3.68 million in 2022, mainly due to the decrease in bunker losses primarily arising from the price differences in the cost of bunker fuel paid by the Company to the previous charterers on vessel re-delivery and the bunker fuel sold to the new charterers on same vessel delivery under certain of our charters.

Vessel Operating Expenses. Vessel operating expenses increased by $3.54 million, to $10.42 million in 2023, from $6.88 million in 2022, mainly due to the increased ownership days related to the increased size of our fleet, as well as the increased repair, spares and stores costs for certain of our vessels.

Depreciation and amortization of deferred charges. Depreciation and amortization of deferred charges increased by $2.77 million, to $7.67 million in 2023, from $4.90 million in 2022, due to i) a $2.7 million increase in depreciation expense following the increase in the size of our fleet, and ii) an increase in dry-dock amortization costs, as a result of the dry-docks incurred during 2023 for two vessels in our fleet, compared to one vessel having undergone dry-dock during 2022. The increase in vessel depreciation expense was partially offset by the effect of the change in the estimated scrap rates of our vessels from $250 per lightweight ton to $400, effective July 1, 2023.

General and Administrative Expenses. General and administrative expenses increased by $2.20 million, to $5.28 million in 2023, from $3.08 million in 2022. This increase is mainly attributed to additional expenses incurred by the Company related to brokerage services' fees as per the amended agreement terms, compensation cost of restricted convertible Series C preferred stock awarded in April 2022 and March 2023 under the 2021 Equity Incentive Plan, increased insurance costs, performance bonuses to a related party, as well as other professional charges essential for the conduct of our business.

Management fees to related parties. Management fees to related parties increased by $0.36 million, to $1.24 million in 2023, from $0.88 million in 2022. This variation was mainly due to the increase in the size of our fleet. Management fees charged for each year were in accordance with the terms of the management agreements then in place.

Changes in fair value of warrant liability. Changes in fair value of warrants' liability was $6.22 million for 2023, compared to $nil for 2022. The gain of $6.22 million during 2023 resulted from the fair value changes of the private placement warrants under the Concurrent Private Placement from their initial measurement date to their various settlement dates within 2023 (all private placement warrants were settled during 2023). There was no such transaction during 2022.

Finance costs. The $0.91 million finance costs incurred during 2023, represent the pro rata portion of the aggregate fees and costs incurred in the 2023 Registered Direct Offering and the Concurrent Private Placement allocated to the private placement warrants liability at their issuance date that were expensed as incurred as of such date.

Interest income. Interest income was $0.50 million for 2023, compared to $nil for 2022. The amount relates solely to interest earned from time deposits.

Inflation and Increased Interest Rates

Inflation and increased interest rates do not have a material effect on our expenses given current economic conditions and management does not consider inflation or interest rates to be a significant risk to direct costs in the current and foreseeable economic environment. In a shipping downturn, costs subject to inflation and increased interest rates can usually be controlled because shipping companies typically monitor costs to preserve liquidity and encourage suppliers and service providers to lower rates and prices during such periods.

Implications of Being an Emerging Growth Company

As we qualify as an "emerging growth company" as defined in the JOBS Act, we may take advantage or specified reduced reporting and other burdens that are otherwise applicable generally to public companies. These provisions include:

- exemption from the auditor attestation requirement in the assessment of the effectiveness of the emerging growth company's internal controls over financial reporting under Section 404(b) of Sarbanes-Oxley;
- exemption from new or revised financial accounting standards applicable to public companies until such standards are also applicable to private companies; and
- exemption from compliance with any new requirements adopted by the Public Company Accounting Oversight Board, or the PCAOB, requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and financial statements.

We may take advantage of these provisions until the end of the fiscal year following the fifth anniversary of the date we first sell our common equity securities pursuant to an effective registration statement under the Securities Act or such earlier time that we are no longer an emerging growth company. We will cease to be an emerging growth company until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenue exceeds $1.235 billion; (ii) the last day of the fiscal year during which the fifth anniversary of the date of the IPO occurs; (iii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock that are held by nonaffiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter; or (iv) the date on which we have issued more than $1 billion in non-convertible debt securities during any three-year period. In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to "opt out" of the extended transition period relating to the exemption from new or revised financial accounting standards and as a result, we comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth public companies. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

B. Liquidity and Capital Resources

We have historically financed our capital requirements with cash flow from operations and proceeds from equity offerings. Our operating cash flow is generated from charters on our vessels, through our subsidiaries. Our main uses of funds have been capital expenditures for the acquisition of new vessels, expenditures incurred in connection with ensuring that our vessels comply with international and regulatory standards, and payments of dividends.

As of December 31, 2023, our contractual obligations related to (i) our Series C and Series D preferred shares dividends and, (ii) the aggregate contractual obligations of $2.75 million in connection with our investment in the construction of two chemical tankers (see also "Item 4. Information on the Company—A. History and Development of the Company—Investment in Methanol-Ready Chemical Tanker Newbuildings"), of which $1.375 million are expected to be due in the fourth quarter of 2024 and $1.375 million are expected to be due in the second quarter of 2025. Since January 1, 2024 and up to the date of this annual report, we paid a cash dividend on our Series C and D preferred holders as of record date January 12, 2024, amounting to $0.35 million in the aggregate, which amount was funded through available cash. We intend to fund our contractual obligations as of December 31, 2023, with available cash as well.

As of the date of this annual report, we do not have any debt or capital expenditures for vessel acquisitions, but we incur capital expenditures when our vessels undergo surveys. This process of recertification may require us to reposition these vessels from a discharging port to the shipyard, which will reduce our operating days during the period. We also incur capital expenditures for vessel improvements to meet new regulations and comply with international and regulatory standards. The loss of earnings associated with the decrease in operating days together with the capital needs for repairs and upgrades result in increased cash flow needs.

We will require capital to fund ongoing operations, vessel improvements to meet requirements under new regulations and the payment of dividends on our Series C and Series D preferred stock, as well as the chemical tankers' investment. We intend to finance our future growth through a combination of cash generated from operations, proceeds from equity offerings, borrowings from debt transactions, as deemed appropriate by our management and board of directors.

For the year ended December 31, 2023, our principal sources of funds were the net proceeds from the 2023 Registered Direct Offering and Concurrent Private Placement, and cash from operations. As at December 31, 2023 and 2022, working capital, which is current assets minus current liabilities, amounted to $17.76 million and $11.71 million, respectively.

Management monitors the Company's liquidity position throughout the year to ensure that it has access to sufficient funds to meet its forecast cash requirements. We anticipate that our primary sources of funds for at least twelve months from the date of this report will be available cash, internally generated cash flows from our anticipated revenues and equity offering proceeds. We believe that these anticipated sources of funds, as well as our ability to access the equity capital markets if needed, will be sufficient to meet our liquidity needs for at least twelve months from the date of this annual report.

Cash Flows

Cash and cash equivalents as of December 31, 2023, and 2022 was $14.84 and $8.45 million, respectively. We consider highly liquid investments such as time deposits and certificates of deposit with an original maturity of around three months or less to be cash equivalents. Cash and cash equivalents are held in U.S. dollars.

Net Cash Provided by Operating Activities

Net cash provided by operating activities in 2023, amounted to $0.82 million representing a decrease of $0.69 million compared to $1.51 million in 2022. The decrease in net cash provided by operating activities was attributable to the decrease in 2023 in net income after non-cash items by $2.87 million compared to 2022, which was offset by the decrease in 2023 by $2.18 million in working capital outflows mainly as a result of the decrease in outstanding trade receivables by $4.7 million.

Net Cash Used in Investing Activities

Net cash used in investing activities in 2023 amounted to $6.01 million and represents payments of (i) $4.00 million being the cash consideration of the purchase price regarding the acquisition of the M/V Melia in February 2023, in accordance with the terms of the relevant Memorandum of Agreement, (ii) $1.64 million regarding the first instalment and other transactions costs in connection with the chemical tankers investment, and (iii) $0.37 million relating to vessel improvement costs. Net cash used in investing activities in 2022 amounted to $5.09 million and represents payments of (i) $4.4 million being the cash consideration of the purchase price regarding the acquisition of M/V Baltimore acquired in September 2022, in accordance with the terms of the relevant Memorandum of Agreement, (ii) $0.60 million relating to the installation of the ballast water treatment system on M/V Protefs, (iii) $0.07 million relating to improvement costs of M/V Salt Lake City, and (iv) $0.02 million in connection with predelivery expenses of M/V Baltimore.

Net Cash Provided by Financing Activities

Net cash provided by financing activities in 2023 amounted to $11.58 million and comprises from (i) net proceeds of $13.64 million from the issuance of units (comprising of shares of common stock or prefunded warrants and Class B warrants), the issuance of private placement warrants, and the exercise of pre-funded warrants under the 2023 registered Direct Offering and Concurrent Private Placement, (ii) $0.03 million proceeds in connection with the issuance of the newly designated Series E Preferred Stock, less $2.09 million of dividends paid to Series C and Series D preferred holders.

Net cash provided by financing activities in 2022 amounted to $10.36 million and comprise from proceeds of $16.19 million from the issuance of units (comprising of shares of common stock or pre-funded warrants and Class A warrants), common stock and warrants, and the exercise of warrants, under the 2022 Underwritten Public Offering less (i) $4.00 million of dividends paid to common, Class A warrants, Series C and Series D preferred holders and, (ii) $1.83 million of equity issuance and financing costs during the same period.

C. Research and development, patents and licenses

Not applicable.

D. Trend information

Our results of operations depend primarily on the charter hire rates that we are able to realize, and the demand for dry bulk vessel services. The Baltic Dry Index, or the BDI, has long been viewed as the main benchmark to monitor the movements of the dry bulk vessel charter market and the performance of the entire dry bulk shipping market.

In 2023, the BDI ranged from a high of 3,346 on December 4, 2023, to a low of 530 on February 16, 2023. During the first months of 2024, BDI ranged from a low of 1,308 on January 17, 2024 to a high of 2,419 on March 18, 2024, and closed at 1,587 on April 10, 2024. The volatility in charter rates in the dry bulk market reflects in part the supply of dry bulk vessels and the number of newbuilding dry bulk vessels on order. Demand for dry bulk vessel services is influenced by global financial conditions. Global financial markets and economic conditions have been, and continue to be, volatile. Our revenues and results of operations in 2024 will be subject to demand for our services, the level of inflation, market disruptions and interest rates. Demand for our dry bulk oceangoing vessels is dependent upon economic growth in the world's economies, seasonal and regional changes in demand and changes to the capacity of the global dry bulk fleet and the sources and supply for dry bulk cargo transported by sea. Continued adverse economic, political or social conditions or other developments could further negatively impact charter rates and therefore have a material adverse effect on our business and results of operations.

We believe that the important measures for analyzing trends in our results of operations consist of the following:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Fleet Data:		
Average number of vessels (1)	4.9	3.3
Number of vessels at year-end	5.0	4.0
Weighted average age of vessels at year-end (in years)	18.8	17.7
Ownership days (2)	1,787	1,197
Available days (3)	1,707	1,154
Operating days (4)	1,691	1,117
Fleet utilization (5)	99.1%	96.8%

(1) Average number of vessels is the number of vessels that constituted our fleet for the relevant period, as measured by the sum of the number of days each vessel was a part of our fleet during the period divided by the number of calendar days in the period.

(2) Ownership days are the aggregate number of days in a period during which each vessel in our fleet has been owned by us. Ownership days are an indicator of the size of our fleet over a period and affect both the amount of revenues and the amount of expenses that we record during a period.

(3) Available days are the number of our ownership days less the aggregate number of days that our vessels are off-hire due to scheduled repairs or repairs under guarantee, vessel upgrades or special surveys and the aggregate amount of time that we spend positioning our vessels for such events. The shipping industry uses available days to measure the number of days in a period during which vessels should be capable of generating revenues.

(4) Operating days are the number of available days in a period less the aggregate number of days that our vessels are off-hire due to any reason, including unforeseen circumstances. The shipping industry uses operating days to measure the aggregate number of days in a period during which vessels actually generate revenues.

(5) We calculate Fleet utilization by dividing the number of our Operating days during a period by the number of our Available days during the period. The shipping industry uses Fleet utilization to measure a company's efficiency in finding suitable employment for its vessels and minimizing the amount of days that its vessels are off-hire for reasons other than scheduled repairs or repairs under guarantee, vessel upgrades, special surveys or vessel positioning for such events.

Amounts in the tables below are in U.S dollars	For the year ended December 31, 2023	For the year ended December 31, 2022
Average Daily Results:		
Time charter equivalent (TCE) rate (6)	$ 9,969	$ 13,349
Daily vessel operating expenses (7)	5,832	5,748

(6) Time charter equivalent rates, or TCE rates, are defined as our time charter revenues less voyage expenses during a period divided by the number of our Available days during the period, which is consistent with industry standards. Voyage expenses include port charges, bunker (fuel) expenses, canal charges and commissions. TCE rate is a non-GAAP measure, and management believes it is useful to investors because it is a standard shipping industry performance measure used primarily to compare daily earnings generated by vessels on time charters with daily earnings generated by vessels on voyage charters, because charter hire rates for vessels on voyage charters are generally not expressed in per day amounts while charter hire rates for vessels on time charters are generally expressed in such amounts. The following table reflects the calculation of our TCE rates for the periods presented.

(7) Daily vessel operating expenses, which include crew wages and related costs, the cost of insurance, expenses relating to repairs and maintenance, the costs of spares and consumable stores, tonnage taxes and other miscellaneous expenses, are calculated by dividing vessel operating expenses by ownership days for the relevant period.

Amounts in the tables below are in thousands of U.S dollars except for Available days and TCE rate		For the year ended December 31, 2023		For the year ended December 31, 2022
Time charter revenues	$	18,957	$	19,085
Less: voyage expenses		(1,940)		(3,680)
Time charter equivalent (TCE) revenues	$	17,017	$	15,405
Available days		1,707		1,154
Time charter equivalent (TCE) rate	$	9,969	$	13,349

E. Critical Accounting Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of those financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of our financial statements. Actual results may differ from these estimates under different assumptions and conditions.

Critical accounting estimates are those estimates made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition or results of operations. We prepare our financial statements in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our consolidated financial statements are presented fairly and in accordance with U.S. GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. For a description of our material accounting policies, please read “Item 18. Financial Statements” and more precisely Note 2 (“Significant Accounting Policies”) to our consolidated financial statements included elsewhere in this annual report.

Impairment of Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances (such as market conditions, obsolesce or damage to the asset, potential sales and other business plans) indicate that the carrying amount of an asset may not be recoverable. When the estimate of undiscounted projected net operating cash flows, expected to be generated by the use of an asset over its remaining useful life and its eventual disposition is less than its carrying amount plus unamortized dry-docking costs, the Company evaluates the asset for impairment loss. Measurement of the impairment loss is based on the fair value of the asset, determined mainly by third party valuations. The current conditions in the dry bulk sector with decreased charter rates and decreased vessel market values are conditions that the Company considers indicators of a potential impairment. In developing estimates of future undiscounted projected net operating cash flows, the Company makes assumptions and estimates about the vessels’ future performance, with the significant assumptions being related to future charter rates for the unfixed days and future fleet utilization rate. Other assumptions used, are charter rates calculated for the fixed days using the fixed charter rate of each vessel from existing time charters; the expected outflows for scheduled vessels’ maintenance; vessel operating expenses; estimated remaining useful life of each vessel and the vessels’ residual value if sold for scrap. The assumptions used to develop estimates of future undiscounted projected net operating cash flows are based on historical trends as well as future expectations, employment prospects under the then current market conditions and vessels’ age. In particular, for the unfixed days, the Company uses the most recent ten-year average of historical market charter rates available for each type of vessel over the remaining estimated life of each vessel, net of commissions. Historical ten-year average market charter rates are in line with the Company’s overall chartering strategy, they reflect the full operating history of vessels of the same type and particulars with the Company’s operating fleet and they cover at least a full business cycle, where applicable. In addition, for 2023, the effective fleet utilization is assumed to 98% in the Company’s exercise, in line with the Company’s historical performance and its expectations for future fleet utilization under its fleet employment strategy, which is additionally affected with the period(s) each vessel is expected to undergo its scheduled dry-docking and/or special survey maintenance works. This calculation is then compared with the vessels’ net book value plus unamortized dry-docking and special survey costs. The difference between the carrying amount of the vessel plus unamortized dry-docking and special survey costs and their fair value is recognized in the Company’s accounts as impairment loss.

Although no impairment loss was identified or recorded during the years ended December 31, 2023, and 2022, according to our assessment, the carrying value plus unamortized dry-docking and special survey costs, if any, of vessels for which impairment indicators existed as at December 31, 2023 and 2022, was $73.1 million and $64.5 million, respectively.

Historically, the market values of vessels have experienced volatility, which from time to time may be substantial. As a result, the charter-free market value of certain of our vessels may have declined below those vessels' carrying value plus unamortized dry-docking and special survey costs, even though we would not impair those vessels' carrying value under our accounting impairment policy. Based on: (i) the carrying value plus unamortized dry-docking and special survey costs of each of our vessels as of December 31, 2023 and 2022 and (ii) what we believe the charter-free market value of each of our vessels was as of December 31, 2023 and 2022, the aggregate carrying value of five and four of the vessels in our fleet as of December 31, 2023 and 2022, respectively, exceeded their aggregate charter-free market value by approximately $13.1 million and $11.5 million, respectively, as noted in the table below. This aggregate difference represents the approximate analysis of the amount by which we believe we would have to increase our loss if we sold all of such vessels at December 31, 2023 and 2022, on a charter-free basis, on industry standard terms, in cash transactions, and to a willing buyer where we were not under any compulsion to sell, and where the buyer was not under any compulsion to buy. For purposes of this calculation, we have assumed that these five and four vessels, respectively, would be sold at a price that reflects our estimate of their charter-free market values as of December 31, 2023, and 2022, respectively.

Vessels	**Dwt**	**Year Built**	**Carrying value plus unamortized dry dock cost (in millions of US Dollars)**	
In millions of USD)			**2023**	**2022**
1. Protefs	73,630	2004	$ 11.4*	$ 12.9*
2. Calipso	73,691	2005	$ 11.2*	$ 12.0*
3. Salt Lake City	171,810	2005	$ 18.4*	$ 18.2*
4. Baltimore	177,243	2005	$ 19.4*	$ 21.4*
5. Melia	76,225	2005	$ 12.7*	$ -
Total			**$ 73.1**	**$ 64.5**

* Indicates dry bulk vessels for which we believe, as of December 31, 2023, and 2022, the charter-free market value was lower than the vessel's carrying value plus unamortized dry-docking and special survey costs. We believe that the aggregate carrying value plus unamortized dry-docking and special survey costs of these vessels exceeded their aggregate charter-free market value by approximately $13.1 million and $11.5 million, respectively.

Our estimates of charter-free market value assume that our vessels were all in good and seaworthy condition without need for repair and if inspected would be certified in class without notations of any kind. Our estimates are based on information available from various industry sources, including:

- reports by industry analysts and data providers that focus on our industry and related dynamics affecting vessel values;
- news and industry reports of similar vessel sales;
- offers that we may have received from potential purchasers of our vessels; and
- vessel sale prices and values of which we are aware through both formal and informal communications with shipowners, shipbrokers, industry analysts and various other shipping industry participants and observers.

As we obtain information from various industry and other sources, our estimates of charter-free vessel market values, charter rates and vessel utilization are inherently uncertain. In addition, vessel values are highly volatile; as such, our estimates may not be indicative of the current or future charter-free market value of our vessels or prices that we could achieve if we were to sell them. We also refer you to the risk factor in "Item 3. Key Information-D. Risk Factors" entitled "A decline in the market values of our vessels could limit our ability to borrow funds in the future, trigger breaches of certain financial covenants contained in any future borrowing facilities we may enter into, and/or result in impairment charges or losses on sale." and the discussion under the heading "Item 4. Information on the Company-B. Business Overview-Vessel Prices."

Our impairment test exercise is sensitive to variances in the time charter rates and utilization rate. Our current analysis, which also involved a sensitivity analysis by assigning possible alternative values to these significant inputs, indicated that time charter rates and utilization would need to be reduced by 5.0% to 22.9% to result in impairment of individual long-lived assets with indication of impairment. In particular, a minimum decrease of 5.4% in the time charter rates for the unfixed days as shown in detail in the table below and a minimum fleet utilization rate of 93.0% used instead in our impairment test exercise would result in $4.09 million impairment charge for one of our vessels. However, there can be no assurance as to how long charter rates and vessel values will remain at their current levels. If charter rates decrease and remain depressed for some time, it could adversely affect our revenue and profitability and future assessments of vessel impairment.

A comparison of the average estimated daily time charter equivalent rate used in our impairment analysis with the average "break-even rate" for each major class of vessels is presented below:

	Average estimated daily time charter equivalent rate used	Average break-even rate
Panamax	$ 12,763	$ 11,253
Capesize	$ 15,593	$ 13,390

Additionally, the use of the 1-year, 3-year and 5-year average blended rates would not have any effect on the Company's impairment analysis and as such on the Company's results of operations:

	1-year (period)	Impairment charge in USD million	3-years (period)	Impairment charge in USD million	5-years (period)	Impairment charge in USD Million
Panamax	$ 13,109	$ —	$ 19,728	$ —	$ 16,354	$ —
Capesize	$ 16,542	$ —	$ 21,742	$ —	$ 19,154	$ —

Fair Value Measurements

The Company follows the provisions of ASC 820 "Fair Value Measurements and Disclosures", which defines fair value and provides guidance for using fair value to measure assets, liabilities and equity instruments classified in stockholders' equity. The guidance creates a fair value hierarchy of measurement and describes fair value as the price that would be received to sell an asset or paid to transfer a liability or the consideration to transfer equity interests issued in an orderly transaction between market participants in the market in which the reporting entity transacts. The fair value measurement assumes that an instrument classified in stockholders' equity is transferred to a market participant at the measurement date. The transfer of an instrument classified in stockholders' equity assumes that the instrument would remain outstanding, and the market participant takes on the rights and responsibilities associated with the instrument. In accordance with the requirements of accounting guidance relating to Fair Value Measurements, the Company classifies and discloses its assets, liabilities and equity instruments classified in stockholders' equity carried at the fair value in one of the following categories: Level 1: Quoted market prices in active markets for identical assets or liabilities or equity instruments; Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data; Level 3: Unobservable inputs that are not corroborated by market data.

On March 7, 2023, our Board of Directors approved the award and grant of 3,332 shares of Series C Preferred Stock to our directors, pursuant to the Company's amended and restated equity incentive plan, for a fair value of $2.68 million, to vest over a service period of two years. The fair value of the Series C Preferred Stock was determined based on a valuation obtained by an independent third party for the purposes of the transaction. On February 8, 2023, the Company acquired the M/V Melia from Diana Shipping. The non-cash consideration part of the total purchase price paid in the form of 13,157 Series D Preferred Stock as of the vessel acquisition date has been recorded at a fair value of $10.0 million determined based on valuation obtained by an independent third party for the purposes of the transaction.

The fair values of the above equity instruments issued by the Company were based as of the measurement dates on the present values of the future cash outflows derived from (i) the dividends payable under each equity instrument, assuming the instruments are held until the end of the vessels' useful life, and (ii) each instrument's liquidation proceeds. In determining the fair value of the 2023 and 2022 restricted stock awards, the Company applied discount factors of 12.5% and 12.7%, respectively, determined based on the Company's estimated weighted average cost of capital comprising of (i) risk-free rates of 3.4% and 1.0%, respectively (ii) representative beta of 1.3, for each fair value measurement and (iii) equity market average return of 10.4% and 10%, respectively. The fair value of the instruments is sensitive to changes in the discount factor applied.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

Set forth below are the names, ages and positions of our directors and executive officers. Our Board of Directors consists of 7 members that will be elected annually on a staggered basis, and each director elected will hold office for a three-year term and until his or her successor is elected and has qualified, except in the event of such director's death, resignation, removal or the earlier termination of his or her term of office. Officers are appointed from time to time by our board of directors and hold office until a successor is appointed or their employment is terminated.

Name	Age	Position
Semiramis Paliou	49	Class I Director and Chairperson
Robert Perri	51	Chief Executive Officer
Vasiliki Plousaki	38	Chief Financial Officer
Ioannis Zafirakis	52	Class III Director
Eleftherios Papatrifon	53	Class II Director
Styliani Alexandra Sougioultzoglou	49	Class I Director
Grigorios-Filippos Psaltis	49	Class II Director
Nikolaos Veraros	53	Class III Director
Alexios Chrysochoidis	50	Class I Director
Margarita Veniou	45	Chief Corporate Development and Governance Officer and Secretary

The term of our Class III directors expires in 2024, the term of our Class I directors expires in 2025, and the term of our Class II directors expires in 2026. The business address of each officer and director is the address of our principal executive offices, which are located at Pendelis 26, 175 64 Palaio Faliro, Athens, Greece.

Biographical information with respect to each of our directors and executive officers is set forth below.

Semiramis Paliou has served as a Director of Oceanpal since April 2021 and currently holds the position of Chairperson of the Board of Directors and of the Executive Committee since November 2021. With extensive experience in the maritime industry, Mrs. Paliou has been a Director of Diana Shipping Inc. since March 2015 and has held various leadership roles within the company including Chief Executive Officer, Chairperson of the Executive Committee and member of the Sustainability Committee since March 1, 2021. Prior to her current positions, she served as Deputy Chief Executive Officer and Chief Operating Officer of Diana Shipping Inc. Mrs. Paliou also serves as Chief Executive Officer of Diana Shipping Services S.A. and has previously held leadership position at United Ocean Transport Limited. Mrs. Paliou's career began at Lloyd's Register of Shipping as a trainee ship surveyor and later held roles at Diana Shipping Agencies S.A. and Alpha Sigma Shipping Corp. She holds a BSc in Mechanical Engineering from Imperial College, London and an MSc in Naval Architecture from University College, London. She has furthered her education through courses at Harvard Business School, focusing on finance, authentic leadership development, and sustainable strategy. As a prominent figure in the maritime community, Mrs. Paliou is actively involved in various industry organizations, including serving as Vice-Chairperson of the Greek committee of Det Norske Veritas, a member of the Greek committee of Nippon Kaiji Kyokai and Bureau Veritas, and as a board member of the Hellenic Marine Environment Protection Association (HELMEPA) since since March 2018, where she currently holds the position of Chairperson. Additionally, she serves as Chairperson of INTERMEPA and is a member of the UK P&I Club, the Union of Greek Shipowners and the Global Maritime Forum .

Robert Perri has served as the Chief Executive Officer of the Company since February 2023. From June 2021 to December 2022, Mr. Perri worked in the Finance Department of Costamare Inc., a publicly traded company. From 2016 to 2021, Mr. Perri was the Chief Financial Officer of TMS Cardiff Gas, Ltd., a private shipping company. Mr. Perri has served as a Director of Kalon Acquisition Group since 2019. In addition, Mr. Perri has spent ten years in equity research for several investment banks covering various industries including shipping, technology and IT services. Mr. Perri is a member of the Chartered Financial Analyst (CFA) Institute and a CFA charterholder. Mr. Perri received his Bachelor of Science degree in Accounting and Finance from Drexel University in 1995 and received his MBA with a focus on finance and banking from SDA Bocconi in 1999.

Ioannis Zafirakis has served as a Director of the Company since April 2021. He has also served as the Company's President, Secretary and Interim Chief Financial Officer from November 2021 to April 2023. Mr. Zafirakis is also member of the Executive Committee of the Company. He has served as a Director of Diana Shipping Inc. from February 2005 and as Chief Financial Officer (Interim Chief Financial Officer until February 2021) and Treasurer of Diana Shipping Inc. since February 2020 and he is also the Chief Strategy Officer of Diana Shipping Inc. Mr. Zafirakis is also member of the Executive Committee of Diana Shipping Inc. Mr. Zafirakis has held various executive positions such as Chief Operating Officer, Executive Vice-President and Vice-President. In addition, Mr. Zafirakis is the Chief Financial Officer of Diana Shipping Services S.A., where he also serves as Director and Treasurer. From June 1997 to February 2005, Mr. Zafirakis was employed by Diana Shipping Agencies S.A., where he held a number of positions in finance and accounting. From January 2010 to February 2020 he also served as Director and Secretary of Performance Shipping Inc., where he held various executive positions such as Chief Operating Officer and Chief Strategy Officer. Mr. Zafirakis is a member of the Business Advisory Committee of the Shipping Programs of ALBA Graduate Business School at The American College of Greece. In 2024, Mr. Zafirakis attended and completed the Advanced Management Programme at INSEAD Business School in Singapore. Mr. Zafirakis has also obtained a certificate in "Blockchain Economics: An Introduction to Cryptocurrencies" from Panteion University of Social and Political Sciences in Greece. He holds a bachelor's degree in Business Studies from City University Business School in London and a master's degree in International Transport from the University of Wales in Cardiff.

Eleftherios (Lefteris) A. Papatrifon has served as a Director of the Company since November 2021. Mr. Papatrifon served as the Company's Chief Executive Officer from November 2021 to January 2023. Mr. Papatrifon is a member of the Executive Committee of the Company. He has served as Director and member of the Executive Committee of Diana Shipping Inc. since February 2023 and as Chief Operating Officer from March 2021 to February 2023. He was Chief Executive Officer, Co-Founder and Director of Quintana Shipping Ltd, a provider of dry bulk shipping services, from 2010 until the company's successful sale of assets and consequent liquidation in 2017. Previously, for a period of approximately six years, he served as the Chief Financial Officer and a Director of Excel Maritime Carriers Ltd. Prior to that, Mr. Papatrifon served for approximately 15 years in a number of corporate finance and asset management positions, both in the USA and Greece. Mr. Papatrifon holds undergraduate (BBA) and graduate (MBA) degrees from Baruch College (CUNY). He is also a member of the CFA Institute and a CFA charterholder.

Vasiliki Plousaki has served as the Chief Financial Officer of the Company since April 2023. Mrs. Plousaki has also served as the Chief Accounting Officer of the Company from June 2021 to April 2023, during which time she has been responsible for all financial reporting requirements. From 2020 to June 2021, she was employed by Drew Marine, a global maritime company, as EMEA Regional Controller. In 2011 Mrs. Plousaki joined the Athens branch of Ernst and Young (Hellas), where she progressed to Senior Manager and served as an external auditor specializing in audits of US listed shipping companies until 2020. Mrs. Plousaki is a member of the Association of Chartered Certified Accountants (ACCA), holds a Bachelor's degree in Finance from the University of Athens and a Master's degree in Auditing and Accounting from the University of Athens and the Greek Institute of Chartered Accountants.

Margarita Veniou has served as the Chief Corporate Development and Governance Officer of the Company since November 2021 and also served as the Secretary of the Company since April 2023 and she has been responsible for the implementation and supervision of the general corporate matters, including the development of our strategic plans. Ms. Veniou also serves` as Chief Corporate Development, Governance & Communications Officer of Diana Shipping Inc. (NYSE:DSX) and Corporate Development, Governance & Communications Manager of Diana Shipping Services S.A., a ship management company, since July 2022. From September 2004 to June 2022, she has worked for the same companies holding various positions as Associate, Officer, and Manager in the fields of corporate planning and governance. Ms. Veniou held the position of Corporate Planning & Governance Officer from January 2010 to February 2020 in Performance Shipping Inc., a US-listed company. She is also the General Manager of Steamship Shipbroking Enterprises Inc. since April 2014. She is a member of WISTA Hellas, holds a bachelor´s degree in Maritime Studies and a masters degree in Maritime Economics & Policy from the University of Piraeus. She completed the Sustainability Leadership and Corporate Responsibility course at the London Business School. She has obtained certification in Shipping Derivatives from the Athens University of Economics and Business and she is an ISO 14001 certified by Lloyd's Register.

Styliani Alexandra Sougioultzoglou has served as a Director of the Company since November 29, 2021. She is member of the Compensation Committee of the Company. Since October 2019, Ms. Sougioultzoglou has managed the Centre of Entrepreneurship and Innovation of the Municipality of Athens, where she has been involved in numerous green entrepreneurship projects as well as EU-funded tech initiatives that assist young entrepreneurs, and has managed the Centre's international relations. Furthermore, she has been curating multiple cultural events at Technopolis City of Athens. She is the fourth generation of a shipping family that has owned and operated dry cargo and passenger vessels. She has been a Director of the Human Resources department of Estamar Shipmanagement Company, owners/operators of dry cargo vessels. Ms. Sougioultzoglou graduated from the London School of Economics and Political Science with a degree in International Relations & History.

Grigorios-Filippos Psaltis has served as a Director of the Company since November 29, 2021. Mr. Psaltis is the Chairperson of the Compensation Committee of the Company. Since 2017, Mr. Psaltis has served as a Business Consultant at Chesapeake Asset Management L.L.C., a SEC registered company based in New York. He previously worked at Ormos Compania Naviera S.A., a shipping company that specialized in managing and operating multipurpose container vessels, serving as Chief Financial Officer from 1996 to 2006 and as Managing Director from 2006 to 2018. From 1997 to 1999, Mr. Psaltis served on the Investment Committee and was head of business strategy at Dias Portfolio Investment Company, an investment company listed in the Athens Stock Exchange. He held managing positions and has been in the board of directors of various companies in the tourism and food and beverage industry. Mr. Psaltis holds a BSC (Hons) degree from City University Business School in London.

Nikolaos Veraros, CFA, has served as a Director of the Company since November 29, 2021. Mr. Veraros is the Chairperson of the Audit Committee of the Company. Mr. Veraros has served as financial consultant to various shipping companies. He has over 20 years of experience in shipping finance. He was also employed as a senior equity analyst by National Bank of Greece. Mr. Veraros is a Chartered Financial Analyst (CFA), a Certified Market Maker for Derivatives in the Athens Stock Exchange, and a Certified Analyst from the Hellenic Capital Market Commission. He is currently Adjunct Lecturer of shipping finance and economics at King's College, London and ALBA, Athens. Mr. Veraros received his bachelor's degree in business administration from the Athens University of Economics and Business, from which he graduated as valedictorian, and his MBA degree from the William E. Simon Graduate School of Business Administration at the University of Rochester, USA.

Alexios Chrysochoidis has served as a Director of the Company since November 29, 2021. He is member of the Audit Committee of the Company. Mr. Chrysochoidis joined Eurobank Equities in 2003 and he is General Manager, Head of Trading in Athens, Greece. He supervises the Equity and Equity Derivatives Market Making Desk along with the Prop Trading Desk. He has extensive cross border experience, specializing in multi asset products within the Capital Markets and Alternative Sectors. Prior to this he worked for Telesis Securities, as Deputy Head of the Derivatives Desk. He holds a B.Sc and an M.Eng in Electrical Engineering from Imperial College (UK) and an M.Sc in Engineering Economic Systems from Stanford University (US).

Board Diversity Matrix

As a foreign private issuer listed on the Nasdaq Capital Market, we are required to disclose certain self-identified diversity characteristics about our directors pursuant to Nasdaq board diversity and disclosure rules. The Board Diversity Matrix set forth below contains the requisite information as of the date of this annual report.

Board Diversity Matrix (As of April 10, 2024)

Country of Principal Executive Offices				**Greece**
Foreign Private Issuer				**Yes**
Disclosure Prohibited under Home Country Law				**No**
Total Number of Directors				**7**
	Female	**Male**	**Non-Binary**	**Did No Disclose Gender**
Part I: Gender Identity				
Directors	2	5	0	0
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction		0		
LGBTQ+		0		
Did Not Disclose Demographic Background		0		

B. ***Compensation***

Aggregate executive compensation (including amounts paid to Steamship Shipbroking Enterprises Inc.) for 2023 was $2.80 million. Since November 2021, the services of our officers have been provided by Steamship Shipbroking Enterprises Inc., a related party to the company, pursuant to the agreements described in "Item 7. Major Shareholders and Related Party Transactions — Related Party Transactions". We consider part of these fees under these agreements to constitute the compensation paid to our executives.

All directors receive annual compensation in the amount of $30,000 plus reimbursement of out-of-pocket expenses. In addition, each director serving as chairman of a committee, other than the executive committee, receives additional annual compensation of $20,000, plus reimbursement for out-of-pocket expenses. Each director serving as member of a committee, other than the executive committee, receives additional annual compensation of $10,000, plus reimbursement for out-of-pocket expenses. For 2023, fees and expenses of our directors amounted to $0.26 million.

We do not have a retirement plan for our officers or directors.

Equity Incentive Plan

Our board of directors has approved, and the Company has adopted the 2021 Equity Incentive Plan, as amended and restated, pursuant to which the Company may issue up to 2,000,000 common shares, all of which remain available for issuance and 10,000 Series C Preferred Shares, of which 1,354 remain available to be granted as of April 10, 2024.

Under the 2021 Equity Incentive Plan, as amended and restated, the Company's employees, officers and directors are entitled to receive options to acquire the Company's common stock. The 2021 Equity Incentive Plan is administered by the Compensation Committee of the Company's Board of Directors or such other committee of the Board as may be designated by the Board. Under the terms of the 2021 Equity Incentive Plan, as amended and restated, the Company's Board of Directors is able to grant (a) non-qualified stock options, (b) stock appreciation rights, (c) restricted stock, (d) restricted stock units, (e) unrestricted stock, (f) other equity-based or equity-related awards, (g) dividend equivalents and (h) cash awards. No options or stock appreciation rights can be exercisable subsequent to the tenth anniversary of the date on which such Award was granted. Under the 2021 Equity Incentive Plan, as amended and restated, the Administrator may waive or modify the application of forfeiture of awards of restricted stock and performance shares in connection with cessation of service with the Company. No Awards may be granted under the 2021 Equity Incentive Plan following the tenth anniversary of the date on which the Plan is adopted by the Board.

Since 2023 and up to the date of this annual report, our Board of Directors awarded 3,332 in 2023 and 3,332 in 2024 of our Series C Preferred Shares to our directors, pursuant to our 2021 Equity Incentive Plan, as amended and restated, as an annual incentive bonus. All restricted shares vest ratably over two years from their grant date. The restricted shares are subject to forfeiture until they become vested. Unless they forfeit, grantees have the right to receive and retain all dividends paid and to exercise all other rights, powers and privileges of a holder of shares.

In 2023, non-cash compensation costs under our restricted stock awards amounted to $1.89 million.

C. Board Practices

We have established an Audit Committee, comprised of two non-executive board members, which is responsible for reviewing our accounting controls, recommending to the board of directors the engagement of our independent auditors, and pre-approving audit, non-audit or non-assurance and audit-related services and fees. Each member has been determined by our board of directors to be "independent" under the rules and regulations of the SEC. As directed by its written charter, the Audit Committee is responsible for overseeing the work of the internal audit function, for appointing, and overseeing the work of the independent auditors, including reviewing and approving their engagement letter and all fees paid to our auditors, reviewing the adequacy and effectiveness of the Company's accounting and internal control procedures and reading and discussing with management, the internal audit function and the independent auditors the annual audited and quarterly financial statements. The members of the Audit Committee are Nikolaos Veraros (chairperson and financial expert) and Alexios Chrysochoidis (member and financial expert).

We have established a Compensation Committee comprised of two members, which, as directed by its written charter, is responsible for setting the compensation of executive officers of the Company, reviewing the Company's incentive and equity-based compensation plans, and reviewing and approving employment and severance agreements. The members of the Compensation Committee are Grigorios-Filippos Psaltis (chairperson) and Styliani Alexandra Sougioultzoglou (member).

We have established an Executive Committee comprised of the Company's Director and Chairperson, Mrs. Semiramis Paliou (Chairperson), Mr. Ioannis Zafirakis (member), and Mr. Eleftherios (Lefteris) Papatrifon (member). The Executive Committee has, to the extent permitted by law, the powers of the Board of Directors in the management of the business and affairs of the Company.

We also maintain directors' and officers' insurance, pursuant to which we provide insurance coverage against certain liabilities to which our directors and officers may be subject, including liability incurred under U.S. securities law.

Clawback Policy

In December 2023, our Board of Directors adopted a policy regarding the recovery of erroneously awarded compensation ("Clawback Policy") in accordance with the applicable rules of Nasdaq and Section 10D and Rule 10D-1 of the Securities Exchange Act of 1934, as amended. In the event we are required to prepare an accounting restatement due to material noncompliance with any financial reporting requirements under U.S. securities laws or otherwise erroneous data or if we determine there has been a significant misconduct that causes material financial, operational or reputational harm, we shall be entitled to recover a portion or all of any incentive-based compensation, if any, provided to certain executives who, during a three-year period preceding the date on which an accounting restatement is required, received incentive compensation based on the erroneous financial data that exceeds the amount of incentive-based compensation the executive would have received based on the restatement.

Our Clawback Policy shall be administered by our Compensation Committee, and the Compensation Committee has the authority, in accordance with the applicable laws, rules and regulations, to interpret and make determinations necessary for the administration of the Clawback Policy, and may forego recovery in certain instances, including if it determines that recovery would be impracticable. The full text of our Clawback Policy is included as Exhibit 97.1 to this annual report.

D. Employees

We have no employees, but we pay Steamship for the services of our officers. DWM is responsible for identifying the appropriate officers and seamen mainly through crewing agencies. The crewing agencies handle each seaman's training, travel and payroll. DWM ensures that all our seamen have the qualifications and licenses required to comply with international regulations and shipping conventions. As of December 31, 2023, 2022 and 2021, 106, 86 and 63 seafarers, respectively, were employed by our vessel-owning subsidiaries.

E. Share Ownership

With respect to the total amount of common shares, Series B Preferred Shares, Series C Preferred Shares, Series D Preferred Shares and Series E Preferred Shares owned by our officers and directors, individually and as a group, see "Item 7. Major Shareholders and Related Party Transactions-A. Major Shareholders."

F. Disclosure of Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

Item 7. Major Shareholders and Related Party Transactions

A. *Major Shareholders*

The following table sets forth information regarding ownership of our common stock as of April 10, 2024 who we know to beneficially own more than five percent of our outstanding common shares, and our executive officers and directors. All of our stockholders listed in this table, are entitled to one vote for each common share held.

Beneficial ownership is determined in accordance with the SEC's rules. In computing percentage ownership of each person, shares subject to options held by that person that are currently exercisable or convertible, or exercisable or convertible within 60 days of the date of this annual report, are deemed to be beneficially owned by that person. These shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person.

	Shares Beneficially Owned	
Identity of person or group	**Number**	**Percentage****
Diana Shipping Inc. (1)	3,651,468	49.0 %
Semiramis Paliou (2)(3)(4)	2,642,586	26.2 %
Ioannis Zafirakis (2)(3)	400,664	5.1 %
Eleftherios Papatrifon (2)(3)	229,940	3.0 %
Anamar Investments Inc. (5)	518,003	6.5 %
Coronis Investments Inc. (6)	630,541	7.8 %
Taracan Investments S.A (7)	535,203	6.7 %
Sphinx Investment Corp. (8)	972,198	13.0 %
Nikolaos Veraros (3)	31,512	* %
Grigorios-Filippos Psaltis (3)	31,167	* %
Alexios Chrysochoidis (3)	29,088	* %
Styliani Alexandra Sougioultzoglou (3)	28,742	* %

* Indicates beneficial ownership of less than 1% of the total common shares outstanding.

** Based on 7,451,977 common shares outstanding as of April 10, 2024.

(1) On October 17, 2023, Diana Shipping exercised its right to convert an aggregate of 9,793 shares of our Series C Preferred Stock, following which, 3,649,474 of the Company's shares of common stock were issued to Diana Shipping. Diana Shipping Inc. also owns 500,000 shares of our Series B Preferred Stock. Through its beneficial ownership of our Series B Preferred Stock, Diana Shipping Inc. is entitled to cast 2,000 votes for each share of Series B Preferred Stock on all matters on which our common shareholders are entitled to vote of up to 34% of the total number of votes entitled to vote on such matter. To the extent the aggregate voting power of any holder of Series B Preferred Stock, together with any affiliate of such holder, would exceed 49% of the total number of votes that may be cast on any matter submitted to a vote of our shareholders, the number of votes of relating to its shares of Series B Preferred Stock shall be automatically reduced so that such holder's aggregate voting power, together with any affiliate of such holder, is not more than 49%. Diana Shipping also owns 207 shares of our Series C Preferred Stock, which may be converted into shares of our common stock, at Diana Shipping's option commencing upon the first anniversary of the original issue date, at a conversion price equal to the lesser of $1,300.00 and the 10-trading day trailing VWAP of our common shares, subject to certain adjustments. Diana Shipping, however, is prohibited from converting its shares of Series C Preferred Stock into common shares to the extent that, as a result of such conversion, Diana Shipping (together with its affiliates) would beneficially own more than 49% of the total outstanding common shares.

(2) Semiramis Paliou, Ioannis Zafirakis and Eleftherios Papatrifon may be deemed to have beneficial ownership of common shares through their ownership of Series C and D Preferred Stock which may be converted into common shares at a conversion price equal to the 10-day trailing VWAP of common shares subject to certain adjustments. The above ownership reflects the number of common shares into which such Series C and Series D Preferred Stock may be converted at an assumed 10-day trailing VWAP of $2.8877 as of the closing date of April 9, 2024.

(3) On April 15, 2022, March 7, 2023, and February 21, 2024, our Board of Directors approved the award of 1,982, 3,332 and 3,332 shares, respectively, of our Series C Preferred Stock to our directors, pursuant to our 2021 Equity Incentive Plan, as amended and restated, of which 2,657 have been vested as of April 10, 2024. The information in the table above does not include the common shares into which the unvested shares of Series C Preferred Stock under these awards may be converted. The 5,989 unvested Series C Preferred Stock as of April 10, 2024, under the restricted stock awards of April 15, 2022, March 7, 2023, and February 21, 2024, will be convertible at the holders' election at such time.

(4) Semiramis Paliou owns 1,200 shares of our newly designated Series E Preferred Stock. Through her beneficial ownership of our Series E Preferred Stock, Mrs. Paliou is entitled to cast a number of votes for all matters on which our common shareholders are entitled to vote of up to 15% of the total number of votes entitled to vote on such matter. The Series E Preferred Stock votes with the shares of common stock of the Company, and each share of the Series E Preferred Stock entitles the holder thereof to up to 25,000 votes, on all matters submitted to a vote of the stockholders of the Company, subject up to 15% of the total number of votes entitled to be cast on matters put to shareholders of the Company. The Series E Preferred Stock is convertible, at the election of the holder, in whole or in part, into shares of our common stock at a conversion price equal to the 10-trading day trailing VWAP of our common stock, subject to certain adjustments, commencing at any time after (i) the cancellation of all of our Series B Preferred Stock or (ii) the transfer for all of our Series B Preferred Stock (collectively a "Series B Event"). The 15% limitation discussed above, shall terminate upon the occurrence of a Series B Event.

(5) This information is derived from a Schedule 13D/A filed with the SEC on March 28, 2024.

(6) This information is derived from a Schedule 13G/A filed with the SEC on February 14, 2024.

(7) This information is derived from a Schedule 13G/A filed with the SEC on February 14, 2024.

(8) The information regarding number of common shares beneficially owned is derived from a Schedule 13D/A filed with the SEC on March 15, 2024.

As of April 10, 2024, we had 50 shareholders of record, 32 of which were located in the United States and held an aggregate of 3,779,629 of our common shares, representing 50.72% of our outstanding common shares. However, one of the U.S. shareholders of record is CEDE & CO., a nominee of The Depository Trust Company, which held 3,779,230 of our common shares as of that date. Accordingly, we believe that the shares held by CEDE & CO. include common shares beneficially owned by both holders in the United States and non-U.S. beneficial owners. We are not aware of any arrangements the operation of which may at a subsequent date result in our change of control.

B. Related Party Transactions

Related Party Transactions

Steamship

Steamship, a related party that since January 2023 is controlled by our Chairperson, provides to us insurance, administrative and brokerage services pursuant to a Management Agreement for insurance-related services an Administrative Services Agreement; and a Brokerage Services Agreement.

Under each vessel-owning subsidiary's Management Agreement for insurance-related services with Steamship, the vessel-owning subsidiary pays Steamship a fixed fee of either (i) $500 per month for each month that the vessel is employed or is available for employment or (ii) $250 per month for each month that the vessel is laid-up and not available for employment for at least 15 calendar days of such month. These Management Agreements may be terminated by either party on three months' prior written notice.

Under our Administrative Services Agreement with Steamship, Steamship provides certain administrative services which may include budgeting, reporting, monitoring of bank accounts, compliance with banks, payroll services and any other possible service that we require to perform our operations. We pay Steamship a monthly fee of $10,000. This agreement may be terminated by either party on 30 days' prior written notice.

Under our Brokerage Services Agreement with Steamship, we pay Steamship a lump sum commission of $150,000 per month, plus 2.5% on the hire agreed per charter party for each vessel (subject to required deductions and withholdings); provided, however, that we and Steamship may agree to commissions on a percentage basis for specific deals. This Brokerage Services Agreement had an initial term of twelve months commencing on January 1, 2023 (unless terminated earlier on the basis of any other provision contained therein) and is automatically renewed for further periods of one calendar year.

Diana Shipping, Right of First Refusal

We have entered into a right of first refusal agreement with Diana Shipping, dated November 8, 2021, pursuant to which Diana Shipping granted us a right of first refusal over six dry bulk carriers then owned by Diana Shipping and identified in the agreement. As of the date of this annual report, one of the six identified vessels from Diana Shipping remains available for our purchase. Pursuant to this right of first refusal, we have the right, but not the obligation, to purchase the remaining identified vessel when and if Diana Shipping determines to sell the vessel. Pursuant to the agreement, in connection with our right of first refusal in any vessel acquisition opportunity, our right to purchase the vessel will be at a price equal to the fair market value of such vessel at the time of sale, as determined by the average of two independent shipbroker valuations from brokers mutually agreeable to the Company and Diana Shipping. If we do not exercise our right to purchase this vessel, Diana Shipping has the right to sell the vessel to any third party for a period of three months from the date we received notice of the offer from Diana Shipping.

On February 1, 2023, we entered into a memorandum of agreement with Diana Shipping to acquire a 2005-built Panamax vessel, the M/v Melia, having a carrying capacity of 76,225 dwt, for a total consideration of $14.0 million. Of the purchase price, $4.0 million, was paid in cash upon signing of the memorandum of agreement, and the remaining amount was paid upon delivery of the vessel to us in 13,157 shares of our Series D Preferred Stock. Our purchase of this vessel was made pursuant to our exercise of a right of first refusal granted to us by Diana Shipping. The vessel was delivered to us on February 8, 2023. The acquisition of the vessel was approved by a committee of independent members of our Board of Directors.

Diana Shipping, Non-Competition Agreement

We have entered into a non-competition agreement with Diana Shipping, dated November 2, 2021, pursuant to which Diana Shipping granted us (i) a right of first refusal over any opportunity available to Diana Shipping (or any of its subsidiaries) to acquire or charter-in any dry bulk vessel that is larger than 70,000 dwt and that was built prior to 2006 and (ii) a right of first refusal over any employment opportunity for a dry bulk vessel pursuant to a spot market charter presented or available to Diana Shipping with respect to any vessel owned or chartered in, directly or indirectly, by Diana Shipping. The non-competition agreement also prohibits the Company and Diana Shipping from soliciting each other's employees. The terms of the non-competition agreement provide that it will terminate on the date that (i) Diana Shipping's ownership of our equity securities represents less than 10% of total outstanding voting power and (ii) we and Diana Shipping share no common executive officers.

Diana Shipping, Redemption of Series C Preferred Stock

On October 17, 2023, Diana Shipping, pursuant to the provisions of the Series C Preferred Stock statement of designations, exercised its right to redeem 9,793 of its 10,000 Series C Preferred Stock, through the issuance to Diana Shipping of 3,649,474 of the Company's shares of common stock. The redemption rate which was utilized in connection with the redemption of the Series C Preferred Stock was based on the 10-day trailing VWAP of the Company's common stock, in accordance with the conversion mechanism prescribed in the Series C Preferred Stock statement of designation. As a result of this redemption, 207 Series C Preferred Stock of the Company remained in Diana Shipping's possession as of December 31, 2023 and as of the date of this annual report.

Diana Wilhelmsen Management Limited

Diana Wilhelmsen Management Limited, or DWM, is a 50/50 joint venture of Diana Shipping and an unaffiliated entity of us, which provides management services to the vessels in our fleet pursuant to a management agreement, under which each of our vessel-owning subsidiaries pays, for each vessel, an aggregate of 1.25% on hire and on freight of the vessel's gross income, plus either (i) $18,500 for each month that the vessel is employed or available for employment or (ii) $9,250 per month for each month that the vessel is laid-up and not available for employment for at least 15 calendar days of such month. The management agreement may be terminated by either party on three months' prior written notice.

Issuance of Series E Preferred Stock

On March 20, 2023, we issued 1,200 shares of our newly-designated Series E Preferred Stock (the "Series E Preferred Stock"), par value $0.01 per share, to an affiliated company of our Chairperson, Mrs. Semiramis Paliou, for a purchase price of $35,000. In connection with this transaction, we engaged a financial advisor to evaluate the transaction and deliver an opinion as to the financial fairness and the fair value of such consideration. The Series E Preferred Stock has no dividend or liquidation rights. The Series E Preferred Stock votes with the shares of common stock of the Company, and each share of the Series E Preferred Stock entitles the holder thereof to up to 25,000 votes, on all matters submitted to a vote of the stockholders of the Company, subject up to 15% of the total number of votes entitled to be cast on matters put to shareholders of the Company. The Series E Preferred Stock is convertible, at the election of the holder, in whole or in part, into shares of our common stock at a conversion price equal to the 10-trading day trailing VWAP of our common stock, subject to certain adjustments, commencing at any time after a Series B Event. The 15% limitation discussed above, shall terminate upon the occurrence of a Series B Event. The Series E Preferred Stock is transferable only to the holder's immediate family members and to affiliated persons or entities, with the prior consent of the Company. The issuance of shares of Series E Preferred Stock was approved by an independent committee of the Board of Directors of the Company.

Altair Travel Agency S.A.

Altair Travel Agency S.A., or Altair, an entity in which the Company's Chairperson holds equity interests, provides us from time to time with travel related services.

C. Interests of Experts and Counsel

Not Applicable.

Item 8. Financial information

A. Consolidated statements and other financial information

See "Item 18. Financial Statements."

Legal Proceedings

We have not been involved in any legal proceedings which may have a significant effect on our business, financial position, results of operations or liquidity, nor are we aware of any proceedings that are pending or threatened which may have a significant effect on our business, financial position, results of operations or liquidity. From time to time, we may be subject to legal proceedings and claims in the ordinary course of business, principally personal injury and property casualty claims. We expect that these claims would be covered by insurance, subject to customary deductibles. Those claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources. Pursuant to the Contribution and Conveyance Agreement between us and Diana Shipping, it has agreed to indemnify us and the Subsidiaries for any and all obligations and other liabilities arising from or relating to the operation, management or employment of our vessels prior to the effective date of the Spin-Off.

Dividend Policy

The declaration and payment of dividends, if any, are subject to the discretion of our board of directors. Our board of directors will review and amend our dividend policy from time to time in light of our business plans and other factors.

Marshall Islands law generally prohibits the payment of dividends other than from surplus or when a company is insolvent or if the payment of the dividend would render the company insolvent.

We believe that, under current law, any dividends that we may pay in the future from earnings and profits constitute "qualified dividend income" and as such are generally subject to a 20% United States federal income tax rate with respect to non-corporate United States shareholders. Distributions in excess of our earnings and profits will be treated first as a non-taxable return of capital to the extent of a United States shareholder's tax basis in its common stock on a dollar-for-dollar basis and thereafter as capital gain. Please see the section of this annual report entitled "Item 10. Additional Information—E. Taxation" for additional information relating to the tax treatment of our dividend payments.

Cumulative dividends on shares of our Series C Preferred Stock and our Series D Preferred Stock are payable in cash or, at our election, in kind, quarterly on each January 15, April 15, July 15 and October 15, or, if any such dividend payment date otherwise would fall on a date that is not a business day, the immediately succeeding business day. The dividend rate on shares of our Series C Preferred Stock is 8.0% per annum per $1,000 of liquidation preference per share (equal to $80 per annum per share) and is not subject to adjustment. The dividend rate on shares of our Series D Preferred Stock is 7.0% per annum per $1,000 of liquidation preference per share (equal to $70 per annum per share) and is not subject to adjustment.

Marshall Islands law provides that we may pay dividends only to the extent that assets are legally available for such purposes. Legally available assets generally are limited to our surplus, which essentially represents our retained earnings and the excess of consideration received by us for the sale of shares above the par value of the shares. In addition, under Marshall Islands law we may not pay dividends if we are insolvent or would be rendered insolvent by the payment of such a dividend or the making of such redemption.

B. ***Significant Changes***

Not applicable.

Item 9. The Offer and Listing

A. Offer and Listing Details

Our common shares currently trade on the Nasdaq Capital Market under the ticker symbol "OP".

B. Plan of distribution

Not applicable.

C. Markets

Our common shares currently trade on the Nasdaq Capital Market under the symbol “OP”.

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share capital

Not applicable.

B. Memorandum and articles of association

Our current amended and restated articles of incorporation are filed as exhibit 1.1 hereto, and our current amended and restated bylaws are filed as exhibit 1.2 hereto. The information contained in these exhibits is incorporated by reference herein.

Information regarding the rights, preferences and restrictions attaching to each class of our shares is described in Exhibit 2.10 to this annual report titled “Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.”

C. Material contracts

As of April 10, 2024, we have not entered into any new material contracts in the last two years, other than those entered in the ordinary course of business or already attached in the exhibits. We also refer you to “Item 4. Information on the Company -A. History and Development of the Company,” “Item 5. Operating and Financial Review and Prospects -B. Liquidity and Capital Resources” and “Item 7. Major Shareholders and Related Party Transactions -B. Related Party Transactions” for a discussion of existing material agreements.

D. Exchange Controls

Under Marshall Islands, Panamanian, Cypriot and Greek law, there are currently no restrictions on the export or import of capital, including foreign exchange controls or restrictions that affect the remittance of dividends, interest or other payments to non-resident holders of our securities.

E. Taxation

In the opinion of Seward & Kissel LLP, the following is a discussion of the material Marshall Islands and U.S. federal income tax considerations applicable to the Company and U.S. Holders and Non-U.S. Holders, each as defined below, of our common stock.

Marshall Islands Tax Considerations

The Company is incorporated in the Marshall Islands. Under current Marshall Islands law, the Company is not subject to tax on income or capital gains, and no Marshall Islands withholding tax will be imposed upon payments of dividends by the Company to holders of its common shares that are not residents or domiciled or carrying any commercial activity in the Marshall Islands. The holders of our common shares will not be subject to Marshall Islands tax on the sale or other disposition of such common shares.

United States Federal Income Taxation

The following are the material United States federal income tax consequences to the Company of its activities and of ownership and disposition of our common shares to U.S. Holders and Non-U.S. Holders, each as defined below. The following discussion of United States federal income tax matters is based on the Code, judicial decisions, administrative pronouncements, and existing and proposed Treasury Regulations, all as of the date of this annual report, and all of which are subject to change, possibly with retroactive effect. The discussion below is based, in part, on the description of the Company's business as described in "Business" above and assumes that the Company will conduct its business as described in that section.

United States Federal Income Taxation of Our Company

Taxation of Operating Income: In General

Unless exempt from United States federal income taxation under the rules discussed below, a foreign corporation is subject to United States federal income taxation in respect of any income that is derived from the use of vessels, from the hiring or leasing of vessels for use on a time, voyage or bareboat charter basis, from the participation in a pool, partnership, strategic alliance, joint operating agreement, code sharing arrangement or other joint venture it directly or indirectly owns or participates in that generates such income, or from the performance of services directly related to those uses, which we refer to as "shipping income," to the extent that the shipping income is derived from sources within the United States. For these purposes, 50% of shipping income that is attributable to transportation that begins or ends, but that does not both begin and end, in the United States exclusive of certain U.S. territories and possessions constitutes income from sources within the United States, which we refer to as "U.S.-source shipping income."

Shipping income attributable to transportation that both begins and ends in the United States is considered to be 100% from sources within the United States. We are not permitted by law to engage in transportation that produces income which is considered to be 100% from sources within the United States.

Shipping income attributable to transportation exclusively between non-U.S. ports will be considered to be 100% derived from sources outside the United States. Shipping income derived from sources outside the United States will not be subject to any United States federal income tax.

In the absence of exemption from tax under Section 883 of the Code, our gross U.S.-source shipping income would be subject to a 4% tax imposed without allowance for deductions as described below.

Exemption of Operating Income from United States Federal Income Taxation

Under Section 883 of the Code and the Treasury Regulations thereunder, the Company will be exempt from United States federal income taxation on its U.S.-source shipping income if:

- the Company is organized in a foreign country, or its country of organization, that grants an "equivalent exemption" to corporations organized in the United States; and

Either

- more than 50% of the value of the Company's stock is owned, directly or indirectly, by "qualified shareholders," individuals who are "residents" of a foreign country that grants an "equivalent exemption" to corporations organized in the United States, which we refer to as the "50% Ownership Test," or

- the Company's stock is "primarily and regularly traded on an established securities market" in a country that grants an "equivalent exemption" to United States corporations, or in the United States, which we refer to as the "Publicly-Traded Test."

The Marshall Islands, the jurisdiction where the Company and its shipowning subsidiaries are incorporated, grants an "equivalent exemption" to United States corporations. Therefore, the Company will be exempt from United States federal income taxation in any taxable year with respect to our U.S.-source shipping income if the Company satisfies either the 50% Ownership Test or the Publicly-Traded Test for such taxable year.

The Company does not expect that it will be able to satisfy the 50% Ownership Test for any taxable year due to the widely-held nature of its stock.

The Company's ability to satisfy the Publicly-Traded Test is discussed below.

The Treasury Regulations provide, in pertinent part, that the stock of a foreign corporation will be considered to be "primarily traded" on an established securities market in a country if the number of shares of each class of stock that is traded during the taxable year on all established securities markets in that country exceeds the number of shares in each such class that is traded during that year on established securities markets in any other single country. Our common shares will be "primarily traded" on the Nasdaq Capital Market, which is an established securities market for these purposes.

Under the relevant Treasury regulations, the Company's common shares will be considered to be "regularly traded" on an established securities market if one or more classes of its stock representing more than 50% of our outstanding shares, by total combined voting power of all classes of stock entitled to vote and total value, is listed on the market (the "listing threshold"). Since the Company's common shares are listed on the Nasdaq Capital Market, the Company satisfies the listing threshold.

It is further required that with respect to each class of stock relied upon to meet the listing threshold (i) such class of the stock is traded on the market, other than in minimal quantities, on at least 60 days during the taxable year (or 1/6 of the days in the case of a short taxable year); and (ii) the aggregate number of shares of such class of stock traded on such market is at least 10% of the average number of shares of such class of stock outstanding during such year (or as appropriately adjusted in the case of a short taxable year). The Company expects to satisfy the trading frequency and trading volume tests described in this paragraph. Even if this were not the case, the relevant Treasury Regulations provide that the trading frequency and trading volume tests will be deemed satisfied by a class of stock if, as the Company expects to be the case with its common shares, such class of stock is traded on an established market in the United States, such as the Nasdaq Capital Market, and such class of stock is regularly quoted by dealers making a market in such stock.

Notwithstanding the foregoing, the Treasury Regulations provide that, in pertinent part, a non-U.S. corporation's common stock will not be considered to be "regularly traded" on an established securities market for any taxable year if 50% or more of the outstanding shares of such corporation's common stock is owned, actually or constructively under specified attribution rules, on more than half the days during the taxable year by persons who each own 5% or more of the common stock the corporation (the "5% Override Rule").

For purposes of being able to determine the persons who own 5% or more of a corporation's stock ("5% Shareholders") the Treasury Regulations permit a corporation to rely on Schedule 13-D and Schedule 13-G filings with the SEC to identify persons who have a 5% or more beneficial interest in such corporation's common stock. The Treasury regulations further provide that an investment company that is registered under the Investment Company Act of 1940, as amended, will not be treated as a 5% Stockholder for such purposes.

It is possible that 5% Shareholders may own more than 50% of our common shares. In the event the 5% Override Rule is triggered, the Treasury Regulations provide that the 5% Override Rule will nevertheless not apply if the Company can establish that within the group of 5% Shareholders, there are sufficient 5% Shareholders that are considered to be "qualified shareholders" for purposes of Section 883 of the Code to preclude non-qualified 5% Shareholders in the closely-held group from owning 50% or more of the corporation's common stock for more than half the number of days during the taxable year. To establish this exception to the 5% Override Rule, 5% Shareholders owning a sufficient number of our common shares would have to provide the Company with certain information in order to substantiate their status as qualified shareholders. If 5% Shareholders were to own more than 50% of our common shares, there is no assurance that we would be able to satisfy the foregoing requirements.

Taxation in Absence of Exemption

If the benefits of Section 883 of the Code are unavailable for any taxable year, the Company's U.S. source shipping income, to the extent not considered to be "effectively connected" with the conduct of a United States trade or business, as described below, will be subject to a 4% tax imposed by Section 887 of the Code on a gross basis, without the benefit of deductions ("4% gross basis tax regime"). Since under the sourcing rules described above, no more than 50% of our shipping income is treated as being derived from United States sources, the maximum effective rate of United States federal income tax on our shipping income will not exceed 2% under the 4% gross basis tax regime.

To the extent the benefits of the Section 883 of the Code are unavailable and the Company's U.S. source shipping income is considered to be "effectively connected" with the conduct of a United States trade or business, as described below, any such "effectively connected" U.S. source shipping income, net of applicable deductions, would be subject to the United States federal corporate income tax currently imposed at a rate of 21%. In addition, the Company may be subject to the 30% United States federal "branch profits" taxes on earnings effectively connected with the conduct of such trade or business, as determined after allowance for certain adjustments, and on certain interest paid or deemed paid attributable to the conduct of such United States trade or business.

The Company's U.S. source shipping income would be considered "effectively connected" with the conduct of a United States trade or business only if:

- The Company has, or is considered to have, a fixed place of business in the United States involved in the earning of shipping income; and

- Substantially all of the Company's U.S. source shipping income is attributable to regularly scheduled transportation, such as the operation of a vessel that follows a published schedule with repeated sailings at regular intervals between the same points for voyages that begin or end in the United States.

The Company does not intend to have, or permit circumstances that would result in having, any vessel operating to the United States on a regularly scheduled basis. Based on the foregoing and on the expected mode of the Company's shipping operations and other activities, the Company believes that none of its U.S. source shipping income will be "effectively connected" with the conduct of a United States trade or business.

United States Taxation of Gain on Sale of Vessels

Regardless of whether the Company qualifies for exemption under Section 883 of the Code, the Company will not be subject to United States federal income taxation with respect to gain realized on a sale of a vessel, provided the sale is considered to occur outside of the United States under United States federal income tax principles. In general, a sale of a vessel will be considered to occur outside of the United States for this purpose if title to the vessel, and risk of loss with respect to the vessel, pass to the buyer outside of the United States. It is expected that any sale of a vessel by the Company will be considered to occur outside of the United States.

United States Federal Income Taxation of U.S. Holders

As used herein, the term "U.S. Holder" means a beneficial owner of our common shares that is a United States citizen or resident, United States corporation or other United States entity taxable as a corporation, an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust if a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust.

This discussion does not purport to deal with the tax consequences of owning common stock to all categories of investors, some of which, such as dealers in securities or commodities, financial institutions, insurance companies, tax-exempt organizations, U.S. expatriates, persons liable for an alternative minimum tax, persons who hold common stock as part of a straddle, hedge, conversion transaction or integrated investment, U.S. Holders whose functional currency is not the United States dollar, persons required to recognize income for U.S. federal income tax purposes no later than when such income is reported on an "applicable financial statement," investors subject to the "base erosion and anti-avoidance" tax and investors that own, actually or under applicable constructive ownership rules, 10% or more of the Company's common stock, may be subject to special rules. This discussion deals only with holders who hold the common stock as a capital asset. You are encouraged to consult your own tax advisors concerning the overall tax consequences arising in your own particular situation under U.S. federal, state, local or foreign law of the ownership of common stock.

If a partnership holds our common shares, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. If you are a partner in a partnership holding our common shares, you are encouraged to consult your tax advisor.

Distributions

Subject to the discussion of passive foreign investment companies below, any distributions made by the Company with respect to its common shares to a U.S. Holder will generally constitute dividends, which may be taxable as ordinary income or "qualified dividend income" to the extent of the Company's current or accumulated earnings and profits, as determined under United States federal income tax principles. Distributions in excess of the Company's earnings and profits will be treated first as a nontaxable return of capital to the extent of the U.S. Holder's tax basis in his common shares on a dollar-for-dollar basis and thereafter as capital gain. Because the Company is not a United States corporation, U.S. Holders that are corporations will generally not be entitled to claim a dividends received deduction with respect to any distributions such corporate U.S. Holders receive. Dividends paid with respect to the Company's common shares will generally be treated as "passive category income" or, in the case of certain types of U.S. Holders, "general category income" for purposes of computing allowable foreign tax credits for United States foreign tax credit purposes.

Dividends paid on the Company's common shares to a U.S. Holder who is an individual, trust or estate (a "U.S. Individual Holder") will generally be treated as "qualified dividend income". Qualified dividend income is taxable to such U.S. Individual Holders at preferential tax rates provided that (1) the Company is not a passive foreign investment company for the taxable year during which the dividend is paid or the immediately preceding taxable year (which the Company does not believe it is, has been or will be), (2) the Company's common shares are readily tradable on an established securities market in the United States (such as the Nasdaq Capital Market, on which the Company's common shares will be listed), (3) the U.S. Individual Holder has owned the common shares for more than 60 days in the 121-day period beginning 60 days before the date on which the common shares become ex-dividend, and (4) the U.S. Individual Holder is not under an obligation (whether pursuant to a short sale or otherwise) to make payments with respect to positions in similar or related property. There is no assurance that any dividends paid on the Company's common shares will be eligible for these preferential rates in the hands of a U.S. Individual Holder. Dividends paid on the Company's common shares prior to the date on which its common shares became listed on the Nasdaq Capital Market were not eligible for these preferential rates. Any dividends paid by the Company that are not eligible for these preferential rates will be taxed as ordinary income to a U.S. Individual Holder.

Special rules may apply to any "extraordinary dividend", which is generally a dividend paid by the Company in an amount which is equal to or in excess of ten percent of a shareholder's adjusted tax basis (or fair market value in certain circumstances) in the Company's common shares. If the Company pays an "extraordinary dividend" on its common shares that is treated as "qualified dividend income," then any loss derived by a U.S. Individual Holder from the sale or exchange of such common shares will be treated as long-term capital loss to the extent of such dividend.

Sale, Exchange or other Disposition of Common Shares

Assuming the Company does not constitute a passive foreign investment company for any taxable year, a U.S. Holder generally will recognize taxable gain or loss upon a sale, exchange or other disposition of the Company's common shares in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder's tax basis in such stock. Such gain or loss will generally be treated as long-term capital gain or loss if the U.S. Holder's holding period is greater than one year at the time of the sale, exchange or other disposition. Such capital gain or loss will generally be treated as U.S.-source income or loss, as applicable, for United States foreign tax credit purposes. A U.S. Holder's ability to deduct capital losses is subject to certain limitations.

Passive Foreign Investment Company Status and Significant Tax Consequences

Special United States federal income tax rules apply to a U.S. Holder that holds stock in a foreign corporation classified as a passive foreign investment company, or PFIC, for United States federal income tax purposes. In general, the Company will be treated as a PFIC with respect to a U.S. Holder if, for any taxable year in which such holder held the Company's common shares, either:

- at least 75% of the Company's gross income for such taxable year consists of passive income (e.g., dividends, interest, capital gains and rents derived other than in the active conduct of a rental business); or

- at least 50% of the average value of the Company's assets during such taxable year produce, or are held for the production of, passive income, which we refer to as "passive assets".

For purposes of determining whether the Company is a PFIC, the Company will be treated as earning and owning our proportionate share of the income and assets, respectively, of any of its subsidiary corporations, in which the Company owns at least 25% of the value of the subsidiary's stock. Income earned, or deemed earned, by the Company in connection with the performance of services would not constitute passive income. By contrast, rental income would generally constitute "passive income" unless the Company were treated under specific rules as deriving rental income in the active conduct of a trade or business.

Based on the Company's anticipated operations and future projections, the Company does not believe that it is, nor does it expect to become, a PFIC with respect to any taxable year. Although there is no legal authority directly on point, and the Company is not relying upon an opinion of counsel on this issue, the Company's belief is based principally on the position that, for purposes of determining whether the Company is a PFIC, the gross income the Company derives or is deemed to derive from the time chartering and voyage chartering activities of its wholly-owned subsidiaries should constitute services income, rather than rental income. Correspondingly, such income should not constitute passive income, and the assets that the Company or its wholly-owned subsidiaries own and operate in connection with the production of such income, in particular, the vessels, should not constitute passive assets for purposes of determining whether the Company is a PFIC. The Company believes there is substantial legal authority supporting its position consisting of case law and United States Internal Revenue Service ("IRS"), pronouncements concerning the characterization of income derived from time charters and voyage charters as services income for other tax purposes. However, there is also authority which characterizes time charter income as rental income rather than services income for other tax purposes. Moreover, in the absence of any legal authority specifically relating to the statutory provisions governing PFICs, the IRS or a court could disagree with the Company's position. In addition, although the Company intends to conduct its affairs in a manner to avoid being classified as a PFIC with respect to any taxable year, there can be no assurance that the nature of the Company's operations will not change in the future.

As discussed more fully below, if the Company were to be treated as a PFIC for any taxable year which included a U.S. Holder's holding period in the Company's common shares, then such U.S. Holder would be subject to different U.S. federal income taxation rules depending on whether the U.S. Holder makes an election to treat the Company as a "qualified electing fund" (a "QEF election"). As an alternative to making a QEF election, a U.S. Holder should be able to make a "mark-to-market" election with respect to the Company's common shares, as discussed below. In addition, if the Company were to be treated as a PFIC, a U.S. Holder of our common shares would be required to file annual information returns with the IRS. In addition, if a U.S. Holder owns our common shares and the Company is a PFIC, such U.S. Holder must generally file IRS Form 8621 with the IRS.

U.S. Holders Making a Timely QEF Election

A U.S. Holder who makes a timely QEF election with respect to our common shares (an "Electing Holder") would report for U.S. federal income tax purposes his pro rata share of the Company's ordinary earnings and of our net capital gain, if any, for the Company's taxable year that ends with or within the taxable year of the Electing Holder. The Company's net operating losses or net capital losses would not pass through to the Electing Holder and will not offset the Company's ordinary earnings or net capital gain reportable to the Electing Holder in subsequent years (although such losses would ultimately reduce the gain, or increase the loss, if any, recognized by the Electing Holder on the sale of his common shares). Distributions received from the Company by an Electing Holder are excluded from the Electing Holder's gross income to the extent of the Electing Holder's prior inclusions of the Company's ordinary earnings and net capital gain. The Electing Holder's tax basis in his common shares would be increased by any amount included in the Electing Holder's income. Distributions received by an Electing Holder, which are not includible in income because they have been previously taxed, would decrease the Electing Holder's tax basis in our common shares. An Electing Holder would generally recognize capital gain or loss on the sale or exchange of our common shares.

U.S. Holders Making a Timely Mark-to-Market Election

A U.S. Holder who makes a timely mark-to-market election with respect to our common shares would include annually in the U.S. Holder's income, as ordinary income, any excess of the fair market value of the common shares at the close of the taxable year over the U.S. Holder's then adjusted tax basis in the common shares. The excess, if any, of the U.S. Holder's adjusted tax basis at the close of the taxable year over the then fair market value of the common shares would be deductible in an amount equal to the lesser of the amount of the excess or the net mark-to-market gains that the U.S. Holder included in income in previous years with respect to the common shares. A U.S. Holder's tax basis in his common shares would be adjusted to reflect any income or loss amount recognized pursuant to the mark-to-market election. A U.S. Holder would recognize ordinary income or loss on a sale, exchange or other disposition of the common shares; provided, however, that any ordinary loss on the sale, exchange or other disposition may not exceed the net mark-to-market gains that the U.S. Holder included in income in previous years with respect to the common shares.

U.S. Holders Not Making a Timely QEF Election or Mark-to-Market Election

A U.S. Holder who does not make a timely QEF Election or a timely mark-to-market election with respect to our common shares (a "Non-Electing Holder") would be subject to special rules with respect to (i) any "excess distribution" (generally, the portion of any distributions received by the Non-Electing Holder on the common shares in a taxable year in excess of 125% of the average annual distributions received by the Non-Electing Holder in the three preceding taxable years, or, if shorter, the Non-Electing Holder's holding period for the common shares), and (ii) any gain realized on the sale or other disposition of the common shares. Under these rules, (i) the excess distribution or gain would be allocated ratably over the Non-Electing Holder's holding period for the common shares; (ii) the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, would be taxed as ordinary income; and (iii) the amount allocated to each of the other prior taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed tax deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year. If a Non-Electing Holder dies while owning our common shares, the Non-Electing Holder's successor would be ineligible to receive a step-up in the tax basis of those common shares.

United States Federal Income Taxation of "Non-U.S. Holders"

A beneficial owner of our common shares (other than a partnership) that is not a U.S. Holder is referred to herein as a "Non-U.S. Holder."

Dividends on Common Shares

Non-U.S. Holders generally will not be subject to United States federal income tax or withholding tax on dividends received from the Company with respect to its common shares, unless such income is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States. If the Non-U.S. Holder is entitled to the benefits of a United States income tax treaty with respect to those dividends, such income is taxable only if it is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States.

Sale, Exchange or Other Disposition of Common Shares

Non-U.S. Holders generally will not be subject to United States federal income tax or withholding tax on any gain realized upon the sale, exchange or other disposition of our common shares, unless:

- such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States, if the Non-U.S. Holder is entitled to the benefits of a United States income tax treaty with respect to that gain, that gain is taxable only if it is attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States; or

- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year of disposition and other conditions are met.

If the Non-U.S. Holder is engaged in a United States trade or business for United States federal income tax purposes, the income from the common shares, including dividends and the gain from the sale, exchange or other disposition of the stock that is effectively connected with the conduct of that trade or business will generally be subject to regular United States federal income tax in the same manner as discussed in the previous section relating to the taxation of U.S. Holders. In addition, in the case of a corporate Non-U.S. Holder, its earnings and profits that are attributable to the effectively connected income, subject to certain adjustments, may be subject to an additional United States federal "branch profits" tax at a rate of 30%, or at a lower rate as may be specified by an applicable United States income tax treaty.

Backup Withholding and Information Reporting

In general, dividend payments, or other taxable distributions, made within the United States to you will be subject to information reporting requirements. Such payments will also be subject to backup withholding tax if a U.S. Individual Holder:

- fails to provide an accurate taxpayer identification number;
- is notified by the IRS that he failed to report all interest or dividends required to be shown on your United States federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

Non-U.S. Holders may be required to establish their exemption from information reporting and backup withholding by certifying their status on an appropriate IRS Form W-8.

If a shareholder sells our common shares to or through a United States office of a broker, the payment of the proceeds is subject to both United States backup withholding and information reporting unless the shareholder certifies that it is a non-U.S. person, under penalties of perjury, or the shareholder otherwise establishes an exemption. If a shareholder sells our common shares through a non-United States office of a non-United States broker and the sales proceeds are paid outside the United States, then information reporting and backup withholding generally will not apply to that payment. However, United States information reporting requirements, but not backup withholding, will apply to a payment of sales proceeds, even if that payment is made outside the United States, if a shareholder sells our common shares through a non-United States office of a broker that is a United States person or has some other contacts with the United States.

Backup withholding is not an additional tax. Rather, a shareholder generally may obtain a refund of any amounts withheld under backup withholding rules that exceed the shareholder's United States federal income tax liability by filing a refund claim with the IRS.

Individuals who are U.S. Holders (and to the extent specified in the applicable Treasury Regulations, certain individuals who are Non-U.S. Holders and certain United States entities) who hold "specified foreign financial assets" (as defined in Section 6038D of the Code and the applicable Treasury Regulations) are required to file IRS Form 8938 (Statement of Specified Foreign Financial Assets) with information relating to each such asset for each taxable year in which the aggregate value of all such assets exceeds $75,000 at any time during the taxable year or $50,000 on the last day of the taxable year. Specified foreign financial assets would include, among other assets, our common shares, unless our common shares were held through an account maintained with a United States financial institution. Substantial penalties apply to any failure to timely file IRS Form 8938, unless the failure is shown to be due to reasonable cause and not due to willful neglect. Additionally, the statute of limitations on the assessment and collection of United States federal income tax with respect to a taxable year for which the filing of IRS Form 8938 is required may not close until three years after the date on which IRS Form 8938 is filed. U.S. Holders (including United States entities) and Non-U.S. Holders are encouraged to consult their own tax advisors regarding their reporting obligations under Section 6038D of the Code.

Changes in Global Tax Laws

Long-standing international tax initiatives that determine each country's jurisdiction to tax cross-border international trade and profits are evolving as a result of, among other things, initiatives such as the Anti-Tax Avoidance Directives, as well as the Base Erosion and Profit Shifting reporting requirements, mandated and/or recommended by the EU, G8, G20 and Organization for Economic Cooperation and Development, including the imposition of a minimum global effective tax rate for multinational businesses regardless of the jurisdiction of operation and where profits are generated (Pillar Two). As these and other tax laws and related regulations change (including changes in the interpretation, approach and guidance of tax authorities), our financial results could be materially impacted. Given the unpredictability of these possible changes and their potential interdependency, it is difficult to assess whether the overall effect of such potential tax changes would be cumulatively positive or negative for our earnings and cash flow, but such changes could adversely affect our financial results.

On December 12, 2022, the European Union member states agreed to implement the OECD's Pillar Two global corporate minimum tax rate of 15% on companies with revenues of at least €750 million effective from 2024. Various countries have either adopted implementing legislation or are in the process of drafting such legislation. Any new tax law in a jurisdiction where we conduct business or pay tax could have a negative effect on our company.

The Company encourages each shareholder to consult with his, her or its own tax advisor as to particular tax consequences to it of holding and disposing of our common shares, including the applicability of any state, local or foreign tax laws and any proposed changes in applicable law.

F. Dividends and paying agents

Not applicable.

G. Statement by experts

Not applicable.

H. Documents on display

In accordance with these requirements we will file reports and other information with the SEC. These materials, including this annual report and the accompanying exhibits are available at http://www.sec.gov. In addition, our filings will be available on our website www.oceanpal.com. This web address is provided as an inactive textual reference only. None of the information contained on these websites is incorporated into or forms a part of this annual report.

Shareholders may also request a copy of our filings at no cost by writing or telephoning us at the following address:

Margarita Veniou
Chief Corporate Development and Governance Officer and Secretary
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Athens, Greece
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Email: info@oceanpal.com

I. Subsidiary information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

Item 11. Quantitative and Qualitative Disclosures about Market Risk

Currency and Exchange Rates

We generate all of our revenues in U.S. dollars and our operating expenses are mainly in U.S. dollars. For accounting purposes, including throughout this annual report, expenses incurred in other currencies are converted into U.S. dollars at the exchange rate prevailing on the date of each transaction. Because the portion of our expenses incurred in currencies other than the U.S. dollar is not significant, our expenses are not subject to fluctuations in exchange rates. Therefore, we are not engaged in derivative instruments to hedge those expenses.

Item 12. Description of Securities Other than Equity Securities

Not applicable.

PART II.

Item 13. Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

On January 25, 2022, we closed an underwritten public offering of 15,571,429 units at a price of $0.77 per unit, 200 units consisting of one share of our common stock (or 200 pre-funded warrants in lieu of one share of our common stock) and 200 Class A warrants to purchase one share of our common stock. In addition, certain selling shareholders affiliated with us (the "Selling Shareholders") sold an aggregate of 3,143 shares of common stock in the offering. Each of the 3,143 shares of common stock sold by the Selling Shareholders on the primary offering, was delivered to the underwriters with 200 additional Class A warrants to purchase one share of common stock (sold by us), on a firm commitment basis. In addition, the underwriter for the offering fully-exercised its option to purchase an additional 5,743 common shares from the Selling Shareholders and 6,407 common shares, along with 2,430,000 Class A warrants from us to purchase 12,150 shares of common stock. Each of the 5,743 shares of common stock sold by the Selling Shareholders upon exercise of the underwriters' over-allotment option, was sold with 200 Class A warrants (sold by us) to purchase one share of our common stock, on a firm commitment basis. All pre-funded warrants related to this offering were exercised during 2022, whereas as of April 10, 2024, Class A warrants to purchase 72,370 common shares remained available for exercise at an exercise price of $154.00 per share. The gross proceeds of the offering to us, before underwriting discounts and commissions and estimated offering expenses, were approximately $16.19 million (including the exercise of the overallotment option, the exercise of 4,156,000 Class A warrants to purchase 20,780 shares of common stock, and the exercise of all pre-funded warrants). We did not receive any of the proceeds from the sale of common shares by the Selling Shareholders and only received the proceeds for the Class A warrants sold together with the Selling Shareholders' shares of common stock.

On February 10, 2023, we issued 15,000,000 units with each twenty units consisting of one share of common stock (or twenty pre-funded warrants in lieu of one share of our common stock) and twenty Class B Warrants. We also offered to each purchaser, with respect to the purchase of units that would otherwise result in the purchaser's beneficial ownership exceeding 4.99% of our outstanding common stock immediately following the consummation of this offering, the opportunity to purchase twenty pre-funded warrants in lieu of one share of common stock. Each twenty pre-funded warrants were exercisable for one share of common stock at an exercise price of $0.20 per share. As of December 31, 2023, all the pre-funded warrants related to this offering have been exercised, and, further, as of April 10, 2024, all Class B warrants to purchase 750,000 common shares remained available for exercise at an exercise price of $20.20 per share. The gross proceeds of the offering to us, before deducting for placement agency fees and estimated offering expenses, including the exercise of all pre-funded warrants, were approximately $15.16 million, as of the date of this annual report. Also, on the same date, we sold to each purchaser of the units, 15,000,000 unregistered privately placed warrants, to purchase up to an aggregate of 750,000 shares of our common stock at an exercise price of $20.20 per share. On February 23, 2023, we filed with the SEC a resale registration agreement in Form F-1 regarding the privately placed warrants which was declared effective on March 8, 2023. All privately placed warrants were exercised by September 29, 2023. We did not receive any proceeds from the exercise of the privately placed warrants since these were exercised on an alternative cashless basis, resulting to the issuance of 562,501 shares of common stock.

As of the date of this annual report, we have committed substantially all the net proceeds of the January 2022 Underwritten Offering and the February 2023 Registered Direct Offering for general corporate purposes.

Item 15. Controls and Procedures

(a) Disclosure Controls and Procedures.

Management assessed the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rule 13a-15(e) of the Securities Exchange Act of 1934, as of the end of the period covered by this annual report, being December 31, 2023. Based upon that evaluation, the Principal Executive Officer and Principal Financial Officer concluded that the Company's disclosure controls and procedures are effective as of the evaluation date.

(b) Management's annual report on internal control over financial reporting.

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. Our internal control over financial reporting is a process designed under the supervision of our Chief Executive Officer and Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with U.S. GAAP.

Management has conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework). Based on this assessment, management has determined that our internal control over financial reporting as of December 31, 2023, is effective.

(c) Attestation report of the registered public accounting firm.

This annual report does not include an attestation report of the Company's registered public accounting firm because as an emerging growth company, we are exempt from this requirement.

(d) Changes in internal control over financial reporting.

There were no changes in our internal controls over financial reporting that occurred during the period covered by this annual report that have materially affected or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 16. [Reserved]

Item 16A. Audit Committee Financial Expert

Our Board of Directors has determined that Messrs. Nikolaos Veraros and Alexios Chrysochoidis qualify as audit committee financial experts.

Item 16B. Code of Ethics

We have adopted a Code of Ethics applicable to the Company's officers, directors, employees and agents, which complies with applicable guidelines issued by the SEC. Our Code Ethics as in effect on the date hereof, has been filed as an exhibit to this annual report. Shareholders may also request a copy of our Code of Ethics at no cost, by writing to us at Pendelis 26, 175 64 Palaio Faliro, Athens, Greece.

Item 16C. Principal Accountant Fees and Services

(a) Audit Fees

Our principal accountants, Ernst and Young (Hellas), Certified Auditors Accountants S.A., have billed us for audit services. Aggregate audit fees in 2023 and 2022, amounted to €135,000 and €94,500, or approximately $146,029 and $99,568, respectively, and relate to audit services provided in connection with the audit of our consolidated financial statements.

(b) Audit-related Fees

In 2023 and 2022, our principal accountants, Ernst and Young (Hellas), Certified Auditors Accountants S.A., and our external consultants PricewaterhouseCoopers Business Solutions S.A. have also billed us for audit related services provided for the Company's registration statements, which amounted to €103,000 and €153,750 or about $111,355 and $168,521, respectively.

(c) Tax Fees

During 2023 and 2022, we received tax services for which fees amounted to $9,000 and $12,500, respectively, and relate to the calculation of Earnings and Profits of the Company.

All the abovementioned fees and services are expressed in U.S Dollars.

(d) All Other Fees

None

(e) Audit Committee's Pre-Approval Policies and Procedures

Our Audit Committee is responsible for the appointment, replacement, compensation, evaluation and oversight of the work of our independent auditors. As part of this responsibility, the Audit Committee pre-approves the audit and non-audit or non-assurance and audit-related services performed by the independent auditors in order to assure that they do not impair the auditor's independence from the Company. The Audit Committee has adopted a policy which sets forth the procedures and the conditions pursuant to which services proposed to be performed by the independent auditors may be pre-approved.

(f) Audit Work Performed by Other Than Principal Accountant if Greater Than 50%

Not applicable

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 16F. Change in Registrant's Certifying Accountant

Not applicable.

Item 16G. Corporate Governance

Our Company's corporate governance practices are in compliance with, and are not prohibited by, the laws of the Republic of the Marshall Islands. We are exempt from many of Nasdaq's corporate governance practices other than the requirements regarding the disclosure of a going concern audit opinion, submission of a listing agreement, notification of material non-compliance with Nasdaq corporate governance practices, and the establishment and composition of an audit committee and a formal written audit committee charter. The practices that we follow in lieu of Nasdaq's corporate governance rules are described below.

- We are not required under Marshall Islands law to maintain a Board of Directors with a majority of independent directors, and we may not be able to maintain a Board of Directors with a majority of independent directors in the future.
- In lieu of a nomination committee comprised of independent directors, our Board of Directors is responsible for identifying and recommending potential candidates to become board members and recommending directors for appointment to board committees. Shareholders may also identify and recommend potential candidates to become board members in writing. No formal written charter has been prepared or adopted because this process is outlined in our bylaws.
- As a foreign private issuer, we are not required to solicit proxies or provide proxy statements to Nasdaq pursuant to Nasdaq corporate governance rules or Marshall Islands law. Consistent with Marshall Islands law, we will notify our shareholders of meetings between 15 and 60 days before the meeting. This notification will contain, among other things, information regarding business to be transacted at the meeting. In addition, our bylaws provide that shareholders must give us advance notice to properly introduce any business at a meeting of the shareholders. Our bylaws also provide that shareholders may designate in writing a proxy to act on their behalf.
- In lieu of holding regular meetings at which only independent directors are present, our entire Board of Directors, a majority of whom are independent, hold regular meetings as is consistent with the laws of the Republic of the Marshall Islands.
- The Board of Directors has adopted an Equity Incentive Plan, as amended and restated. Shareholder approval was not necessary since Marshall Islands law permits the Board of Directors to take such actions.
- As a foreign private issuer, we are not required to obtain shareholder approval if any of our directors, officers, or 5% or greater shareholders has a 5% or greater interest (or such persons collectively have a 10% or greater interest), directly or indirectly, in the company, or assets to be acquired, or in the consideration to be paid in the transaction(s) and the present or potential issuance of common stock, or securities convertible into or exercisable for common stock, could result in an increase in outstanding common stock or voting power of 5% or more.
- In lieu of obtaining shareholder approval prior to the issuance of designated securities, the Company complies with the provisions of the Marshall Islands Business Corporations Act, providing that the Board of Directors approves share issuances.

Other than as noted above, we are in full compliance with all other applicable Nasdaq corporate governance standards.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

Item 16J. Insider Trading Policies

Pursuant to applicable SEC transition guidance, the disclosure required by Item 16J will be applicable to us beginning in the fiscal year ending December 31, 2024.

Item 16K. Cybersecurity

Risk management and strategy

We believe that cybersecurity is fundamental in our operations and, as such, we are committed to maintaining robust governance and oversight of cybersecurity risks and to implementing comprehensive processes and procedures for identifying, assessing, and managing material risks from cybersecurity threats as part of our broader risk management system and processes. We maintain various cybersecurity measures and protocols to safeguard our systems and data and continuously monitor and assess potential threats to pre-emptively address any emerging cyber risks. We have implemented various processes for assessing, identifying, and managing material risks from cybersecurity threats, which are integrated into our overall risk management framework. These risk assessments include identifying reasonably foreseeable potential internal and external risks, the likelihood of occurrence and any potential damage that could result from such risks, and the sufficiency of existing policies, procedures, systems, controls, and other safeguards in place to manage such risks. As part of our risk management process, we may engage third party experts to help identify and assess risks from cybersecurity threats.

The Company's personnel are provided cyber security awareness training and are adequately trained to perform their information security-related duties and responsibilities consistent with related policies, procedures, and agreements. Where network connectivity is used, appropriate controls, including firewalls and intrusion detection exist and periodic assessment is performed to prevent unauthorised access.

Governance

Our board of directors considers cybersecurity risk as part of its risk oversight function and has delegated the day-to-day oversight of cybersecurity and other technology risks to an outside consultant who is over sought by Company's senior management and is responsible for assessing and managing cybersecurity threats and for reporting cybersecurity updates, including updates on monitoring and strategies to prevent cybersecurity threats to the board of directors on a quarterly basis or more often as needed. Senior management regularly discusses cyber risks and trends and, should they arise, any material incidents with our board of directors.

Cybersecurity Threats

During the year ended December 31, 2023, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. For more information about the cybersecurity risks we face, please see Item 3. Key Information — D. Risk Factors — "A cyber-attack could materially disrupt our business."

PART III

Item 17. Financial Statements

See Item 18.

Item 18. Financial Statements

The financial statements required by this Item 18 are filed as a part of this annual report beginning on page F-1.

Item 19. Exhibits

Exhibit Number	Description
1.1	Amended and Restated Articles of Incorporation of the Company (1)
1.2	Amended and Restated Bylaws of the Company (1)
2.1	Form of Common Share Certificate (2)
2.2	Certificate of Designations of the Series A Participating Preferred Stock of the Company (2)
2.3	Statement of Designations of the Series B Preferred Shares of the Company (2)
2.4	Amended and Restated Statement of Designations of the 8.0% Series C Preferred Stock of the Company
2.5	Amended and Restated Statement of Designations of the 7.0% Series D Preferred Stock of the Company
2.6	Statement of Designations of the Series E Preferred Stock of the Company (6)
2.7	Form of Class A Warrant (9)
2.8	Warrant Agency Agreement by and between Computershare Trust Company, N.A. and the Company, as to the Class A Warrants (5)
2.9	Form of Class B Warrant (4)
2.10	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act
4.1	Stockholders Rights Agreement (7)
4.2	2021 Equity Incentive Plan, as amended and restated

4.3	Form of Management Agreement with Diana Wilhelmsen Management Limited (2)
4.4	Form of Amendment to the Management Agreement with Diana Wilhelmsen Management Limited (5)
4.5	Non-Competition Agreement, by and between the Company and Diana Shipping Inc. (2)
4.6	Right of First Refusal Agreement with Diana Shipping Inc. (2)
4.7	Amended and Restated Contribution and Conveyance Agreement between the Company and Diana Shipping Inc. (9)
4.8	Form of Management Agreement with Steamship Shipbroking Enterprises Inc. (2)
4.9	Administrative Services Agreement with Steamship Shipbroking Enterprises Inc.
4.10	Brokerage Services Agreement with Steamship Shipbroking Enterprises Inc.
4.11	Shareholders Agreement with RFSea Infrastructure II AS
8.1	Subsidiaries of the Company (3)
11.1	Code of Ethics (2)
12.1	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer
12.2	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer
13.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1	Consent of Independent Registered Public Accounting Firm
15.2	Consent of Independent Registered Public Accounting Firm
97.1	Policy Regarding the Recovery of Erroneously Awarded Compensation
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Schema Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Schema Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Schema Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Schema Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

(1) Filed as an exhibit to the Company's Report on Form 6-K on June 30, 2023, and incorporated by reference herein.

(2) Filed as an exhibit on Form 20-FR12B/A filed on November 2, 2021, and incorporated by reference herein.

(3) Filed as an exhibit on Form 6-K filed on February 10, 2023, and incorporated by reference herein.

(4) Filed as an exhibit to the Company's Registration Statement on Form F-1 on February 23, 2023, as amended, and incorporated by reference herein.

(5) Filed as an exhibit to the Company's annual report on Form 20-F for the year ended December 31, 2021, filed with the Commission on April 6, 2022.

(6) Filed as an exhibit to the Company's annual report on Form 20-F for the year ended December 31, 2023, filed with the Commission on March 30, 2023.

(7) Filed as an exhibit on Form 6-K filed on December 19, 2022, and incorporated by reference herein.

(8) Filed as an exhibit on Form 20-FR12B/A filed on November 17, 2021, and incorporated by reference herein.

(9) Filed as an exhibit on Form 6-K filed on January 25, 2022, and incorporated by reference herein.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and has duly caused and authorized the undersigned to sign this annual report on its behalf.

OCEANPAL INC.

/s/ Vasiliki Plousaki
Vasiliki Plousaki
Chief Financial Officer
Dated: April 15, 2024

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of OceanPal Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of OceanPal Inc. (the Company) as of December 31, 2023 and 2022, the related consolidated statements of comprehensive (loss)/income, stockholders' equity and cash flows for each of the two years in the period ended December 31, 2023 and for the period from inception (April 15, 2021) through December 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022 and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2023 and for the period from inception (April 15, 2021) through December 31, 2021, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

We have served as the Company's auditor since 2021.

Athens, Greece
April 15, 2024

OCEANPAL INC.
CONSOLIDATED BALANCE SHEETS
As of December 31, 2023 and 2022
(Expressed in thousands of U.S. Dollars – except for share and per share data)

	December 31, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 2(e))	$ 14,841	$ 8,454
Accounts receivable trade, net (Note 2(f))	2,963	4,252
Due from a related party (Note 3(a))	-	5
Inventories (Note 2(g))	287	334
Prepaid expenses and other assets, net (Note 6)	895	1,126
Insurance claims (Note 2(i))	1,058	-
Total current assets	20,044	14,171
FIXED ASSETS:		
Vessels, net (Notes 2(j), 2(k) and 5)	71,100	63,672
Total fixed assets	71,100	63,672
OTHER NON-CURRENT ASSETS:		
Deferred charges, net (Notes 2(m) and 2(z))	2,056	1,175
Equity method investment (Notes 2(h) and 4)	1,645	-
Total assets	$ 94,845	$ 79,018
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable, trade and other	405	281
Due to related parties (Notes 3(a) and 3(b))	474	410
Dividends payable (Note 7(c))	110	240
Accrued liabilities	898	1,154
Unearned revenue (Note 2(o))	399	374
Total current liabilities	2,286	2,459
Commitments and contingencies (Note 6)	-	-
STOCKHOLDERS' EQUITY:		
Preferred stock, $0.01 par value; 100,000,000 shares authorized, 520,459 issued and outstanding as of December 31, 2023, and 519,172 issued and outstanding as of December 31, 2022 (Note 7)	5	5
Common stock, $0.01 par value; 1,000,000,000 shares authorized; 7,448,601 issued and outstanding as of December 31, 2023, and 509,200 issued and outstanding as of December 31, 2022 (Note 7)	74	5
Additional paid-in capital (Note 7)	100,500	78,870
Accumulated deficit	(8,020)	(2,321)
Total stockholders' equity	92,559	76,559
Total liabilities and stockholders' equity	$ 94,845	$ 79,018

The accompanying notes are an integral part of these consolidated financial statements.

OCEANPAL INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS)/INCOME
For the years ended December 31, 2023, and 2022 and the period from inception (April 15, 2021) through December 31, 2021
(Expressed in thousands of U.S. Dollars – except for share and per share data)

	2023	2022	2021
REVENUES:			
Time charter revenues (Notes 2(f) and 2(o))	$ 18,957	$ 19,085	$ 1,334
EXPENSES:			
Voyage expenses (Note 2(o))	1,940	3,680	54
Vessel operating expenses (Notes 2(p) and 9)	10,421	6,880	360
Depreciation and amortization of deferred charges (Notes 2(l), 2(m) and 5)	7,670	4,896	354
General and administrative expenses	5,281	3,083	358
Management fees to related parties (Notes 3(a) and 3(b))	1,236	878	74
Other operating loss/(income) (Note 6)	131	(6)	-
Operating (loss)/income	$ (7,722)	$ (326)	134
OTHER INCOME:			
Changes in fair value of warrants' liability (Note 7(b))	6,222	-	-
Finance costs (Note 7(b))	(909)	-	-
Interest income	504	-	-
Gain from equity method investment (Notes 2(h) and 4)	2	-	-
Other expenses	(74)	-	-
Total other income, net	$ 5,745	$ -	$ -
Net (loss)/income and comprehensive (loss)/income	$ (1,977)	$ (326)	$ 134
Deemed dividend upon redemption of Series D Preferred Stock (Note 7(c))	(154)	(134)	-
Deemed dividend upon redemption of Series C Preferred Stock (Note 7(c))	(2,549)	-	-
Dividends on Series C Preferred Stock (Note 7(c))	(991)	(950)	(69)
Dividends on Series D Preferred Stock (Note 7(c))	(1,036)	(252)	-
Dividends on Class A warrants (Note 7(a))	-	(1,012)	-
Net (loss)/income and comprehensive (loss)/income attributable to common stockholders	$ (6,707)	$ (2,674)	$ 65
(Loss)/ earnings per common share, basic (Note 8)	$ (2.02)	$ (17.18)	$ 1.47
(Loss)/ earnings per common share, diluted (Note 8)	$ (3.83)	$ (17.18)	$ 1.06
Weighted average number of common stock, basic (Note 8)	**3,315,519**	**155,655**	**44,101**
Weighted average number of common stock, diluted (Note 8)	**3,372,207**	**155,655**	**61,378**

The accompanying notes are an integral part of these consolidated financial statements.

OCEANPAL INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the years ended December 31, 2023, and 2022 and for the period from inception (April 15, 2021) through December 31, 2021
(Expressed in thousands of U.S. Dollars – except for share and per share and warrants data)

	Preferred Stock Series B		Preferred Stock Series C		Preferred Stock Series D		Preferred Stock Series E		Common Stock		Additional	Retained Earnings/	
	# of Shares	Par Value	# of Shares	Par Value	# of Shares	Par Value	# of Shares	Par Value	# of Shares	Par Value	Paid-in Capital	(Accumulated Deficit)	Total Equity
BALANCE, April 15, 2021	-	$ -	-	$ -	-	$ -	-	$ -	25	$ -	$ -	$ -	$ -
Net income	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	$ -	$ 134	$ 134
Cancellation of common stock (Note 7(a))	-	-	-	-	-	-	-	-	(25)	-	-	-	-
Issuance of common stock (Note 7(a))	-	-	-	-	-	-	-	-	44,101	-	40,509	-	40,509
Issuance of Series B Preferred Stock (Notes 3(c) and 7(c))	500,000	5	-	-	-	-	-	-	-	-	-	-	5
Issuance of Series C Preferred Stock (Notes 3(c) and 7(c))	-	-	10,000	-	-	-	-	-	-	-	7,570	-	7,570
Dividends on Series C Preferred Stock (Note 7(c))	-	-	-	-	-	-	-	-	-	-	-	(69)	(69)
BALANCE, December 31, 2021	**500,000**	**$ 5**	**10,000**	**$ -**	**-**	**$ -**	**-**	**$ -**	**44,101**	**$ 0**	**$ 48,079**	**$ 65**	**$ 48,149**
Net loss	-	$ -	-	$ -	-	-	-	-	-	$ -	$ -	$ (326)	$ (326)
Issuance of 15,571,429 units (comprising from common stock or prefunded warrants and warrants) and 628,751 warrants at primary offering, net of issuance costs (Note 7(a))	-	-	-	-	-	-	-	-	65,357	1	10,694	-	10,695
Issuance of 6,407 shares of common stock upon exercise of underwriters' over-allotment option and exercise of 2,430,000 Class A warrants (Note 7(a))	-	-	-	-	-	-	-	-	6,407	-	898	-	898
Issuance of common stock following exercise of 4,156,000 Class A warrants and 2,500,000 prefunded warrants (Note 7(a))	-	-	-	-	-	-	-	-	33,280	-	3,143	-	3,143
Issuance of Series D Preferred Stock (Note 7(c))	-	-	-	-	25,000	-	-	-	-	-	17,600	-	17,600
Compensation cost under the Equity Incentive Plan (Note 7(c))	-	-	-	-	-	-	-	-	-	-	568	-	568
Dividends declared ($10 per share of common stock and Class A warrant) (Note 7(b))	-	-	-	-	-	-	-	-	-	-	(1,767)	(448)	(2,215)
Dividends declared and paid ($2 per share of common stock and Class A warrant) (Note 7(b))	-	-	-	-	-	-	-	-	-	-	-	(886)	(886)
Series D Preferred Stock redemption and issuance of common stock (Note 3(c) and 7(c))	-	-	-	-	(15,828)	-	-	-	360,055	4	130	(134)	-
Dividends on Series D Preferred Stock (Note 7(c))	-	-	-	-	-	-	-	-	-	-	-	(117)	(117)
Dividends on Series C Preferred Stock (Note 7(c))	-	-	-	-	-	-	-	-	-	-	(475)	(475)	(950)
BALANCE, December 31, 2022	**500,000**	**$ 5**	**10,000**	**$ -**	**9,172**	**$ -**	**-**	**$ -**	**509,200**	**$ 5**	**$ 78,870**	**$ (2,321)**	**$ 76,559**
Net loss	-	$ -	-	$ -	-	$ -	-	$ -	-	$ -	$ -	$ (1,977)	$ (1,977)
Issuance of Series D Preferred Stock (Notes 3(c) and 7(c))	-	-	-	-	13,157	-	-	-	-	-	10,000	-	10,000
Issuance of 15,000,000 units (comprising from 615,000 shares of common stock, 2,700,000 prefunded warrants and 15,000,000 Class B warrants) at primary offering, net of issuance costs (the "February 2023 Registered Direct Offering") (Note 7(a))	-	-	-	-	-	-	-	-	615,000	6	6,693	-	6,699
Issuance of common shares pursuant to exercises of 2,700,000 pre-funded warrants in the February 2023 Registered Direct Offering (Note 7(a))	-	-	-	-	-	-	-	-	135,000	1	26	-	27
Issuance of Series E Preferred Stock (Notes 3(d) and 7(c))	-	-	-	-	-	-	1,200	-	-	-	35	-	35
Retirement of fractional common shares in June reverse stock split (Note 7(a))	-	-	-	-	-	-	-	-	(65)	-	-	-	-
Series C Preferred Stock redemption and issuance of common stock (Note 7(c))	-	-	(9,793)	-	-	-	-	-	3,649,474	36	2,513	(2,549)	-
Series D Preferred Stock redemption and issuance of common stock (Note 7(c))	-	-	-	-	(8,591)	-	-	-	1,977,491	20	134	(154)	-
Alternative cashless exercise of private placement warrants (Note 7(b))	-	-	-	-	-	-	-	-	562,501	6	1,276	0	1,282
Issuance of restricted Series C Preferred Stock and compensation cost under the Equity Incentive Plan (Note 7(c))	-	-	5,314	-	-	-	-	-	-	-	1,893	-	1,893

Dividends declared and paid on Series D Preferred Stock (Note 7(c))	-	-	-	-	-	-	-	-	-	-	(255)	(713)	(968)
Dividends declared on Series C Preferred Stock (Note 7(c))	-	-	-	-	-	-	-	-	-	-	(685)	(306)	(991)
BALANCE, December 31, 2023	**500,000**	**$ 5**	**5,521**	**$ -**	**13,738**	**$ -**	**1,200**	**-**	**7,448,601**	**$ 74**	**$ 100,500**	**$ (8,020)**	**$ 92,559**

The accompanying notes are an integral part of these consolidated financial statements.

OCEANPAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2023, and 2022 and for the period from inception (April 15, 2021) through December 31, 2021
(Expressed in thousands of U.S. Dollars – except for share and per share data)

	2023	2022	2021
Cash Flows provided by Operating Activities:			
Net (loss)/income	$ (1,977)	$ (326)	$ 134
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization of deferred charges (Note 5)	7,670	4,896	354
Compensation cost on restricted stock awards (Note 7(c))	1,893	568	-
Finance costs (Note 7(b))	909	-	-
Changes in fair value of warrants' liability (Note 7(b))	(6,222)	-	-
Gain from equity method investment (Note 4)	(2)	-	-
(Increase) / Decrease in:			
Accounts receivable, trade, net	1,289	(3,441)	24
Due from a related party	5	65	(70)
Inventories	47	(148)	23
Prepaid expenses and other assets, net	231	(666)	(460)
Insurance claims	(1,058)	-	-
Deferred charges	-	152	(152)
Increase / (Decrease) in:			
Accounts payable, trade and other	124	18	263
Due to related parties	64	351	59
Accrued liabilities	(256)	842	312
Unearned revenue	25	146	228
Dry-dock costs	(1,927)	(944)	-
Net cash provided by Operating Activities	$ 815	$ 1,513	$ 715
Cash Flows used in Investing Activities:			
Payments for vessel improvements and vessel acquisitions (Note 5)	(4,368)	(5,094)	(42)
Payment for equity method investment (Note 4)	(1,643)	-	-
Net cash used in Investing Activities	$ (6,011)	$ (5,094)	$ (42)
Cash Flows provided by Financing Activities:			
Proceeds from Spin-Off (Note 3(c))	-	-	1,000
Proceeds from issuance of units and warrants (Note 7(a))	15,123	16,195	-
Proceeds from exercise of prefunded warrants (Note 7(a))	27	-	-
Proceeds from issuance of Series E Preferred Stock (Note 3(d) and 7(c))	35	-	-
Payments of equity issuance and financing costs (Note 7(a))	(1,513)	(1,835)	-
Payments of dividends on common stockholders and Class A warrant holders (Note 7(a))	-	(3,101)	-
Payments of dividends on Series C Preferred Stock (Note 7(c))	(1,121)	(780)	-
Payments of dividends on Series D Preferred Stock (Note 7(c))	(968)	(117)	-
Net cash provided by Financing Activities	$ 11,583	$ 10,362	$ 1,000
Net increase in cash and cash equivalents	$ 6,387	$ 6,781	$ 1,673
Cash and cash equivalents at beginning of the year/period	8,454	1,673	-
Cash and cash equivalents at end of the year/period	$ 14,841	$ 8,454	$ 1,673

SUPPLEMENTAL CASH FLOW INFORMATION

Series C Preferred Stock dividends declared, not paid (Note 7(c))	$ (110)	$ (240)	$ -
Deemed dividend on Series C Preferred Stock upon issuance of common stock (Note 7(c))	(2,549)	-	-
Deemed dividend on Series D Preferred Stock upon issuance of common stock (Note 7(c))	(154)	(134)	-
Non-cash consideration for vessel acquisition through the issuance of Series D Preferred Stock (Note 7(c))	(10,000)	(17,600)	-
Alternative cashless exercise of private placement warrants (Note 7(b))	1,282	-	-
Issuance of common stock and preferred stock in exchange for entities' acquisition (Note 3(c))	$ -	$ -	$ 47,084

The accompanying notes are an integral part of these consolidated financial statements.

OCEANPAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022 and for the period from inception (April 15, 2021) through December 31, 2021
(Expressed in thousands of U.S. Dollars – except share, per share, warrants' and scrap rate data, unless otherwise stated)

1. Basis of Presentation and General Information

The accompanying consolidated financial statements include the accounts of OceanPal Inc. (the ''Company", or "OceanPal", or "OP"), and its wholly owned subsidiaries (collectively, the "Company"). OP was incorporated by Diana Shipping Inc. ("Diana Shipping" or "DSI") on April 15, 2021, under the laws of the Republic of the Marshall Islands, having a share capital of 500 shares, par value $0.01 per share, issued to DSI. On June 24, 2021, OP filed a confidential registration statement on Form 20-F with the US Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, to effect a spin-off of three of DSI's vessel owning subsidiaries together with working capital in exchange of common and preferred stock to DSI's stockholders and DSI, respectively (the "Spin-Off") (Note 3(c)). On November 29, 2021, the registration statement was declared effective. Upon Spin-Off consummation, the Company's articles of incorporation and bylaws were amended. Under the amended articles of incorporation, the Company's authorized share capital increased from 500 to one billion shares of common stock at par value $0.01 and 100,000,000 preferred stock at par value $0.01. In June 2023, the Company's articles of incorporation and bylaws were further amended.

The Company's shares trade on the Nasdaq Capital Market under the ticker symbol "OP".

Effective December 22, 2022, and June 8, 2023, the Company effected a one-for-ten and a one-for-twenty reverse stock split, respectively, on its then issued and outstanding common stock (Note 7(a)). All share and per share amounts disclosed in the accompanying consolidated financial statements give effect to these reverse stock splits, retroactively, as applicable, for all periods presented.

The comparative consolidated financial statements for the period from inception (April 15, 2021) through December 31, 2021, include only the accounts of OceanPal Inc. from inception date April 15, 2021 through November 29, 2021, as the accounts of the Company's wholly owned subsidiaries have been consolidated from November 30, 2021 (i.e. upon the Spin-Off consummation and the acquisition of the three ship-owning subsidiaries by the Company) when the operation of the Company's vessels under OceanPal Inc.'s ownership started. Operations prior to November 30, 2021, consisted principally of organizational expenses.

The Company is engaged in the ocean transportation of cargoes worldwide through the ownership and operation of vessels. Each of the vessels is owned through a separate wholly owned subsidiary. As of December 31, 2023, the Company was the sole owner of all outstanding shares of the following subsidiaries:

- Cypres Enterprises Corp. ("Cypres"), a company incorporated in the Republic of Panama on September 7, 2000, owner of the 2004 built Panamax dry bulk carrier Protefs,
- Darien Compania Armadora S.A. ("Darien"), a company incorporated in the Republic of Panama on December 22, 1993, owner of the 2005 built Panamax dry bulk carrier Calipso,
- Marfort Navigation Company Limited ("Marfort"), a company incorporated in the Republic of Cyprus on August 10, 2007, owner of the 2005 built Capesize dry bulk carrier Salt Lake City,
- Darrit Shipping Company Inc. ("Darrit"), a company incorporated in the Republic of the Marshall Islands on June 02, 2022, owner of the 2005 built Capesize dry bulk carrier Baltimore, and
- Fiji Shipping Company Inc. ("Fiji"), a company incorporated in the Republic of the Marshall Islands on January 27, 2023, owner of the 2005 built Panamax dry bulk carrier Melia (Notes 3(c) and 5).

The Company operates its own fleet through Diana Wilhelmsen Management Limited (or "DWM") (Note 3(a)) and Steamship Shipbroking Enterprises Inc. (or "Steamship") (Note 3(b)).

Uncertainties caused by worldwide health and geopolitical events: As of December 31, 2023, COVID-19 was no longer considered a global health emergency, however the ongoing public health concerns from the COVID-19 pandemic continue to unfold. Additionally, the ongoing conflict between Russia and the Ukraine, has disrupted supply chains and caused instability in the energy markets and the global economy, which have experienced significant volatility. In particular, the conflict in Ukraine and related sanctions measures imposed against Russia has and is disrupting energy production and trade patterns, including shipping in the Black Sea and elsewhere, and has also impacted the price of certain dry bulk goods, such as grain, as well as energy and fuel prices. Notably, various jurisdictions have imposed sanctions against Russia directly targeting the maritime transport of goods originating from Russia, such as of oil products and agricultural commodities such as potash. Further, on October 7, 2023, an ongoing armed conflict between Israel and the Palestinian militant group Hamas, which the United States and the European Union classify as a terrorist organization, has been taking place in and around the Gaza Strip, and there has been a notable uptick in hostilities in the Middle East, including reports of vessel hijacking incidents and missile attacks on vessels from threat actors in the Gulf of Aden and the Red Sea. To date, no apparent consequences have been identified on the Company's business, or counterparties, by COVID-19 or the armed conflicts in Ukraine and the Gaza Strip and their implications. None of the Company's contracts have been affected by the events in Ukraine and Gaza.

Given the dynamic nature of these circumstances, and as volatility continues, the full extent of the repercussions of the ongoing COVID-19 global pandemic and/or the Russo-Ukrainian and Israel-Hamas armed conflicts, and/or other ongoing hostilities occurring in the Middle East, including in the Gulf of Aden and the Red Sea, may have either a direct or indirect impact on the industry and on the Company's business which is difficult to be predicted, insofar as it is possible that in the future third parties with whom the Company has or will have contracts that may be impacted by such events, i.e. current or future sanctions' measures imposed in connection with the conflicts. The related financial reporting implications cannot be reasonably estimated at this time, although they could materially affect the Company's business, results of operations and financial condition in the future. As a result, certain of the Company's estimates and assumptions carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, the Company's estimates may change in future periods. The overall impact on the Company's business, and the efficacy of any measures the Company takes in response to the challenges presented by these geopolitical events, will depend on how those events will further develop, the duration and extent of the restrictive measures that are associated with such events and their impact on global economy and trade, which is still uncertain. The Company is constantly monitoring the developing situation, as well as its charterers' and other counterparties' response to the market and continuously evaluates the effect on its operations. Also, the Company monitors inflation in the United States of America, Eurozone and other countries, including ongoing global prices pressures that are driving up energy and commodity prices in the wake of the armed conflicts in Ukraine and the Middle East, which continue to have a moderate effect on the Company's operating expenses.

2. Significant Accounting Policies – Recent Accounting Pronouncements

a) Principles of consolidation: The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and include the accounts of OceanPal Inc. and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated upon consolidation. Under Accounting Standards Codification ("ASC") 810 "Consolidation", the Company consolidates entities in which it has a controlling financial interest, by first considering if an entity meets the definition of a variable interest entity ("VIE") for which the Company is deemed to be the primary beneficiary under the VIE model, or if the Company controls an entity through a majority of voting interest based on the voting interest model. The Company evaluates financial instruments, service contracts, and other arrangements to determine if any variable interests relating to an entity exist. For entities in which the Company has a variable interest, the Company determines if the entity is a VIE by considering whether the entity's equity investment at risk is sufficient to finance its activities without additional subordinated financial support and whether the entity's at-risk equity holders have the characteristics of a controlling financial interest. In performing the analysis of whether the Company is the primary beneficiary of a VIE, the Company considers whether it individually has the power to direct the activities of the VIE that most significantly affect the entity's performance and also has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. If the Company holds a variable interest in an entity that previously was not a VIE, the Company reconsiders the initial determination of whether the entity has become a VIE if certain types of events ("reconsideration events") occur. The Company has identified it has variable interests in RFSea Infrastructure II AS ("RFSea") and that RFSea is a variable interest entity as of December 31, 2023, but is not the primary beneficiary of such entity (Note 4).The Company's evaluation did not result in identification of consolidated variable interest entities as of December 31, 2023, and 2022.

b) Use of estimates: The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c) Other comprehensive (loss)/ income: The Company has no other comprehensive (loss)/income and accordingly comprehensive (loss)/income equals net (loss)/income for the periods presented.

d) Foreign currency translation: The functional currency of the Company is the U.S. dollar because the Company's vessels operate in international shipping markets, and therefore primarily transact business in U.S. dollars. The Company's accounting records are maintained in U.S. dollars. Transactions involving other currencies during the year are converted into U.S. dollars using the exchange rates in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities which are denominated in other currencies are translated into U.S. dollars at the year-end exchange rates. Resulting gains or losses are reflected separately in the accompanying consolidated statements of comprehensive (loss)/income.

e) Cash and cash equivalents: The Company considers highly liquid investments such as time deposits, certificates of deposit and their equivalents with an original maturity of up to about three months to be cash equivalents. Interest earned on cash and cash equivalents is separately presented in the accompanying consolidated statements of comprehensive (loss)/income under "Interest Income".

f) Accounts receivable, trade, net: The amount shown as accounts receivable, trade, net at each balance sheet date, includes receivables from charterers for hire from lease agreements, net of allowance for doubtful accounts related to expected uncollectible accounts receivable, if any. At each balance sheet date, all potentially uncollectible accounts are assessed individually for the purpose of determining the appropriate allowance for doubtful accounts. The Company assessed its accounts receivable, trade and its credit risk relating to its charterers, also considering the global pandemic and geopolitical events and the effect that these events could have on its accounts. The Company recognizes allowance for doubtful accounts deriving from the collectability assessment as direct reduction to lease income, which for 2023, 2022 and 2021 amounted to $33, $15, and nil, respectively. The Company does not recognize interest income on trade receivables as all balances are usually settled within a year. The Company classifies accounts receivable, trade, net from charterers in dispute within "Prepaid expenses and other assets, net" in the accompanying consolidated balance sheets (Note 6).

g) Inventories: Inventories consist of lubricants and victualling which are stated, on a consistent basis, at the lower of cost or net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in earnings in the period in which it occurs. Cost is determined by the first in, first out method. Inventories may also consist of bunkers when on the balance sheet date a vessel is without employment, or remains idle. Bunkers, if any, are also stated at the lower of cost or net realizable value and cost is determined by the first in, first out method.

h) Equity method investments: Investments in the equity of entities over which the Company exercises significant influence but does not exercise control are accounted for by the equity method of accounting in accordance with ASC 321 "Investments-Equity securities". In reaching such a conclusion, the Company first assesses whether it holds variable interests in the investee and further, whether the investee meets the definition of a VIE. The Company then determines whether it is the investee's primary beneficiary by considering any special rights (in terms of voting, board representation, kick out rights, or otherwise), that grant it with the power to direct the activities of the investee. In case the investee does not fall under the consolidation guidance, the Company records such an investment at cost and adjusts the carrying amount for its share of the earnings or losses of the entity subsequent to the date of investment and reports the recognized earnings or losses in income. Dividends received, if any, reduce the carrying amount of the investment. When the carrying value of an equity method investment equals or exceeds the Company's interest because of losses, the Company does not recognize further losses, unless the Company has made advances, incurred obligations, or has made payments on behalf of the investee and is committed to provide further financial support to the investee. At each reporting period, the Company also evaluates whether a loss in the value of an investment that is other than a temporary decline should be recognized. In its assessment, the Company evaluates indicators such as market conditions, the investee's performance, and the ability to sustain an earnings capacity that would justify the carrying amount of the investment and its ability to continue as a going concern. Measurement of the impairment loss is based on the fair value of the investment. As of December 31, 2023, with regards to its investment in RFSea, the Company determined that it had variable interests in RFSea and that RFSea was a VIE, but the Company was not the primary beneficiary of such entity. The Company further evaluated that no loss in the value of its investment in RFSea should be recognized (Note 4).

i*) *Insurance claims: The Company records insurance claims for insured loss recoveries due to fixed assets damage and for insured crew medical expenses. Insurance claims are recorded, net of any deductible amounts, at the time when the Company's vessels suffer insured damages or at the time when crew medical expenses are incurred, recovery is probable under the related insurance policies, the Company can estimate the amount of such recovery and the claim is not subject to litigation. During 2023, the Company incurred insurance recoveries from damage to one of its vessels and from medical claims amounting to $1,058 in the aggregate, included in the accompanying 2023 consolidated statements of comprehensive (loss)/income under "Vessel operating expenses". No insurance claim recoveries were incurred during 2022 and the period from inception date (April 15, 2021) to December 31, 2021.

j) Vessels, net: Vessels are stated at cost which consists of the contract price and any material expenses incurred upon acquisition or during construction. Expenditures for conversions and major improvements are also capitalized when they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels; otherwise, these amounts are charged to expense as incurred. As of the balance sheet date, vessels are stated at cost less accumulated depreciation expense and impairment charge, if any. In case of vessel acquisitions, if the agreed contract price includes non-cash consideration through the issuance of equity instruments to the seller, the vessel acquisition is accounted for under the provisions of ASC 360 and the non-cash consideration is assessed through fair value measurement.

k) Impairment of long-lived assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances (such as market conditions, obsolesce or damage to the asset, potential sales and other business plans) indicate that the carrying amount of an asset may not be recoverable. When the estimate of undiscounted projected net operating cash flows, expected to be generated by the use of an asset over its remaining useful life and its eventual disposition is less than its carrying amount plus unamortized dry-docking costs, the Company evaluates the asset for an impairment loss. Measurement of the impairment loss is based on the fair value of the asset, determined primarily by third party valuations The bulker sector has recently experienced decreased charter rates and decreased vessel market values, which are conditions that the Company considers as indicators of a potential impairment. In developing estimates of future undiscounted projected net operating cash flows, the Company makes assumptions and estimates about the vessels' future performance, with the significant assumptions being related to future charter rates for the unfixed days and future fleet utilization rates. Other assumptions used are: charter rates calculated for the fixed days using the fixed charter rate of each vessel from existing time charters, the expected outflows for scheduled vessels' maintenance, vessel operating expenses, estimated remaining useful life of each vessel, and the vessels' residual value if sold for scrap. The assumptions used to develop estimates of future undiscounted projected net operating cash flows are based on historical trends as well as future expectations, employment prospects under the then current market conditions and a vessels' age. In particular, for the unfixed days, the Company uses the most recent historical ten-year average market rates available for each type of vessel over the remaining estimated life of each vessel, as applicable, net of commissions. Historical ten-year average market rates are in line with the Company's overall chartering strategy, and they reflect the full operating history of vessels of the same type and particulars with the Company's operating fleet. In addition, effective fleet utilization is assumed to be 98%, which is additionally affected by the period(s) each vessel is expected to undergo her scheduled maintenance, assumptions in line with the Company's historical performance and its expectations for future fleet utilization under its fleet employment strategy. This calculation is then compared with the vessels' net book value plus unamortized dry-docking costs. The difference between the carrying amount of the vessel plus unamortized dry-docking costs and their fair value, if any, is recognized in the Company's accounts as impairment loss. No impairment loss was identified or recorded in the years ended December 31, 2023 and 2022 and for the period from inception (April 15, 2021) through December 31, 2021.

l) Vessel depreciation: Depreciation is computed using the straight-line method over the estimated useful life of the vessels, after considering the estimated salvage (scrap) value. Each vessel's salvage value is equal to the product of its lightweight tonnage and estimated scrap rate. In 2023, the Company identified that the estimated scrap rate used for the determination of annual depreciation was not in line with the current average historical rate and as such, the estimated scrap rate is revised (Note 5). Management estimates the useful life of the Company's vessels to be 25 years from the date of initial delivery from the shipyard. Secondhand vessels are depreciated from the date of their acquisition through their remaining estimated useful life. When regulations place limitations over the ability of a vessel to trade on a worldwide basis, its remaining useful life is adjusted at the date such regulations are adopted.

m) Accounting for dry-docking costs: The Company follows the deferral method of accounting for dry-docking costs whereby actual costs incurred are deferred and amortized on a straight-line basis over the period through the date the next dry-docking is scheduled to become due. Unamortized dry-docking costs of vessels that are sold or impaired are written off and included in the calculation of the resulting gain or loss in the year of the vessel's sale or impairment.

n) Concentration of credit risk: Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash, trade accounts receivable and amounts due to/from related parties. The Company places its temporary cash investments, consisting mostly of deposits, with various qualified financial institutions and performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the Company's investment strategy. The Company limits its credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition and generally does not require collateral for its accounts receivable and does not have any agreements to mitigate credit risk (Note 11).

o) Accounting for revenues and expenses: Revenues are generated from time charter agreements which contain a lease as they meet the criteria of a lease under ASC 842. Agreements with the same charterer are accounted for as separate agreements according to their specific terms and conditions. All agreements contain a minimum non-cancellable period and an extension period at the option of the charterer. Each lease term is assessed at the inception of that lease. Under a time charter agreement, the charterer pays a daily hire for the use of the vessel and reimburses the owner for hold cleanings, extra insurance premiums for navigating in restricted areas and damages caused by the charterers. The charterer pays to third parties port, canal and bunkers consumed during the term of the time charter agreement. Such costs are considered direct costs and are not recorded as they are directly paid by charterers, unless they are for the account of the owner, in which case they are included in voyage expenses. The Company incurs voyage expenses such as commissions, bunkers (fuel oil and diesel oil), and port expenses relating to owners' matters. When a vessel is delivered to a charterer, bunkers are purchased by the charterer and sold back to the Company on the redelivery of the vessel. Bunker gain, or loss, results when a vessel is redelivered by a charterer and delivered to the next charterer at different bunker prices, or quantities. For the years ended December 31, 2023 and 2022 and for the period from inception (April 15, 2021) through December 31, 2021, the Company incurred loss, loss and gain on bunkers amounting to $186, $1,949, and $63 respectively, primarily resulting from the difference in the value of bunkers paid by the Company when the vessel was redelivered to the Company from the charterer under the vessel's previous time charter agreement and the value of bunkers sold by the Company when the vessel was delivered to a new charterer. This gain or loss is included in "Voyage expenses" in the accompanying consolidated statements of comprehensive (loss)/income. Under a time charter agreement, the owner pays for the operation and the maintenance of the vessel, including crew, insurance, spares and repairs, which are recognized in operating expenses. Revenues from time charter agreements providing for variable lease payments are accounted for as operating leases and thus recognized on a straight-line basis over the non-cancellable rental periods of such agreements, as the service is performed. The Company, as lessor, has elected to apply the practical expedient not to allocate the consideration in the agreement to the separate lease and non-lease components (operation and maintenance of the vessel) as their timing and pattern of transfer to the charterer, as the lessee, are the same and the lease component, if accounted for separately, would be classified as an operating lease, as the criteria of the paragraphs ASC 842-10-15-42A through 42B are met. Additionally, the lease component is considered the predominant component as the Company has assessed that more value is ascribed to the vessel rather than to the services provided under the time charter contracts. Also, the Company elected to apply a package of practical expedients which does not require the Company, as a lessor, to reassess: (1) whether any expired or existing contracts are or contain leases; (2) lease classification for any expired or existing leases; and (3) whether initial direct costs for any expired or existing leases would qualify for capitalization under ASC 842. Apart from the agreed hire rate, the owner may be entitled to an additional income, such as ballast bonus, which is considered as reimbursement of owner's expenses and is recognized together with the lease component over the duration of the charter. The Company has made an accounting policy election to recognize the related ballast costs incurred, mainly consisting of bunkers' consumption, over the period between the charter party date or the prior redelivery date (whichever is latest) and the delivery date to the charterer, as contract fulfillment costs are amortized over the charter period in accordance with ASC 340-40. Commissions paid to brokers are deferred and amortized over the related charter period to the extent revenue has been deferred, since commissions are earned as the Company's revenues are earned. Unearned revenue includes cash received prior to the balance sheet date for which all criteria to recognize revenue have not been met. The majority of the vessels are employed on short to medium-term time charter contracts, which provides flexibility in responding to market developments. The Company monitors developments in the dry bulk shipping industry on a regular basis and adjusts the charter hire periods for the vessels according to prevailing market conditions.

p) Repairs and maintenance: All repair and maintenance expenses including underwater inspection expenses are expensed in the year incurred. Such costs are included in "Vessel operating expenses" in the accompanying consolidated statements of comprehensive (loss)/income.

q) (Loss)/Earnings per common share: Basic (loss)/earnings per common share are computed by dividing net (loss)/income available to common stockholders by the weighted average number of common shares outstanding during the year. Unvested preferred shares granted under the Company's equity incentive plan, and Class A warrants are entitled to receive dividends which are not refundable, and therefore are considered participating securities for basic earnings per share calculation purposes, using the two-class method. The two-class method is an earnings allocation method under which EPS is calculated for each class of common stock and participating security considering both dividends declared (or accumulated) and participation rights in undistributed earnings as if all such earnings had been distributed during the period. Under this method, net (loss)/income is reduced by the amount of dividends declared or accumulated in the current period for common stockholders and participating security holders. The remaining earnings or "undistributed earnings" are allocated between common stock and participating securities to the extent that each security may share in earnings as if all of the earnings for the period had been distributed. Once calculated, the (loss)/earnings per common share is computed by dividing the net (loss)/income attributable to common stockholders by the weighted average number of common shares outstanding during each year presented. Diluted (loss)/earnings per common share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted at the beginning of the periods presented, or issuance date, if later. Diluted (loss)/earnings attributable to common stockholders per common share is computed by dividing the net (loss)/income attributable to common stockholders by the weighted average number of common shares outstanding plus the dilutive effect of warrants and shares issued and outstanding under the Company's equity incentive plan during the applicable periods and the dilutive effect of convertible securities during the applicable periods as well. The treasury stock method is used to compute the dilutive effect of warrants and shares issued under the Company's equity incentive plan. The if converted method is used to compute the dilutive effect of shares which could be issued upon conversion of the convertible preferred stock. The two-class method is used for diluted (loss)/earnings per common share when such is the most dilutive method, considering anti – dilution sequencing as per ASC 260. For purposes of the if converted calculation, the conversion price of convertible preferred stock is based on the fixed conversion price or on the average market price when the number of shares that may be issued is variable. Potential common shares that have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the calculation of diluted earnings per share.

r) Segment reporting: The Company engages in the operation of dry-bulk vessels which has been identified as one reportable segment. The operation of the vessels is the main source of revenue generation, the services provided by the vessels are similar and they all operate under the same economic environment. Additionally, the vessels do not operate in specific geographic areas, as they trade worldwide; they do not trade in specific trade routes, as their trading (route and cargo) is dictated by the charterers; and the Company does not evaluate the operating results for each type of dry bulk vessel (i.e., Panamax or Capesize) for the purpose of making decisions about allocating resources and assessing performance.

s) Fair value measurements: The Company follows the provisions of ASC 820 "Fair Value Measurements and Disclosures", which defines fair value and provides guidance for using fair value to measure assets, liabilities and equity instruments classified in stockholders' equity. The guidance creates a fair value hierarchy of measurement and describes fair value as the price that would be received to sell an asset or paid to transfer a liability or the consideration to transfer equity interests issued in an orderly transaction between market participants in the market in which the reporting entity transacts. The fair value measurement assumes that an instrument classified in stockholders' equity is transferred to a market participant at the measurement date. The transfer of an instrument classified in stockholders' equity assumes that the instrument would remain outstanding, and the market participant takes on the rights and responsibilities associated with the instrument. In accordance with the requirements of accounting guidance relating to Fair Value Measurements, the Company classifies and discloses its assets, liabilities and equity instruments classified in stockholders' equity carried at the fair value in one of the following categories: Level 1: Quoted market prices in active markets for identical assets or liabilities or equity instruments; Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data; Level 3: Unobservable inputs that are not corroborated by market data.

t) Share based payments: The Company issues restricted share awards which are measured at fair value on their grant date and are not subsequently re-measured. That cost is recognized over the period during which an employee is required to provide service in exchange for the award—the requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service. Forfeitures of awards are accounted for when and if they occur. If an equity award is modified after the grant date, incremental compensation cost will be recognized in an amount equal to the excess of the fair value of the modified award over the fair value of the original award immediately before the modification.

u) Going concern: The Company follows the provisions of ASC 205-40 "Presentation of financial statements – Going Concern", which provides guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and on related required footnote disclosures. Management evaluates, at each reporting period, whether there are conditions or events that raise substantial doubt about the Company's ability to continue as a going concern within one year from the date the financial statements are issued.

v) Financial instruments, credit losses: At each reporting date, the Company evaluates its financial assets individually for credit losses and presents such assets in the net amount expected to be collected on such financial asset. When financial assets present similar risk characteristics, these are evaluated on a collective basis. When developing an estimate of expected credit losses the Company considers available information relevant to assessing the collectability of cash flows such as internal information, past events, current conditions and reasonable and supportable forecasts. No provision for credit losses were recorded in 2023, 2022 and the period from inception (April 15, 2021) through December 31, 2021.

w) Evaluation of nonmonetary transactions: When the Company enters into a nonmonetary transaction as defined broadly under ASC 845, it determines whether the transaction is a contribution of an asset or a business by assessing the definition of a business under ASC 805 and whether the transaction is pro-rata. A transaction is considered pro rata if each owner receives an ownership interest in the transferee in proportion to its existing ownership interest in the transferor (even if the transferor retains an ownership interest in the transferee). In accordance with FASB Topic 805 Business Combinations: Clarifying the Definition of a Business, if substantially all of the fair value of the gross assets acquired are concentrated in a single identifiable asset or group of similar identifiable assets, then the set is not a business. To be considered a business, a set must include an input and a substantive process that together significantly contributes to the ability to create an output. All assets contributed under nonmonetary transactions that do not meet the definition of a business, are measured at their fair values on the transaction date in accordance with ASC 845, if the fair value is objectively measurable and clearly realizable in an outright sale at or near the distribution.

x) Distinguishing liabilities from equity: The Company follows the provisions of ASC 480 "Distinguishing liabilities from equity" to determine the classification of certain freestanding financial instruments as either liabilities or equity. In its assessment, the Company analyzes key features of these financial instruments to determine whether they are more akin to equity or to debt. It then identifies any embedded features in those instruments and examines whether the identified embedded features fall under the definition of a derivative according to the provisions of ASC 815 or whether those features require bifurcation (other than those with de minimis value) or affect classification in permanent equity. Financial instruments meeting the classification of liability are initially measured at fair value and are subsequently remeasured at each balance sheet date with the offsetting adjustments recorded within the consolidated statements of comprehensive (loss)/income. Upon settlement or termination, instruments classified as liabilities at fair value are marked to their fair value at the settlement date and then the liability gets settled. The Company values its instruments classified as liabilities using either the Black-Scholes option pricing model or other acceptable valuation models, including the binominal option pricing model (Note 7).

y) Redemption of shares or convertible preferred stock for issuance of shares of common stock: In the case of conversion of preferred stock to common stock, with the conversion feature assessed by the Company at first using the provisions of ASC 480-10-25-14 and then determined as requiring evaluation as a redemption feature (Note 2(x)), the Company follows redemption accounting. A redemption of preferred stock according to its original terms may be paid using cash, other instruments issued by the issuer or other assets (individually and collectively, the consideration) and may include a premium or discount. As per ASC 260-10-S99-2, a premium paid on redemption represents a return similar to a dividend to/from the preferred holder. In particular, when the Company determines that on the redemption date there is a difference in the carrying value of the preferred stock, as compared to the fair value of the common shares issued, that value represents a dividend to/from the preferred holders, which should be deducted from (if a premium) or added to (if a discount) the net (loss)/ income to arrive at the net (loss)/income available to common stockholders (Note 8).

z) *Offering expenses:* Expenses directly attributable to an equity offering are deferred and offset against the proceeds of the offering within additional paid-in capital, unless the offering is aborted, in which case they are written-off and charged to net (loss)/income. Deferred offering expenses in relation to ongoing offerings that have not materialized as of December 31, 2023 and 2022, amounted to $59 and $376, respectively, and are included in "Deferred charges, net" in the accompanying consolidated balance sheets.

New Accounting Pronouncements - Not yet adopted

In October 2023, the Financial Accounting Standards Board issued Accounting Standard Update ("ASU") No. 2023-06, "Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative". The amendments in this Update modify the disclosure or presentation requirements of a variety of Topics in the Codification. The effective date for each amendment of the ASU 2023-06 will be, the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoption prohibited. The amendments in ASU 2023-06 should be applied prospectively. The Company has assessed that the adoption of this standard will not have any impact on the Company's consolidated financial statements and related disclosures.

In November 2023, the FASB issued Accounting Standards Update 2023-07, Segment Reporting - Improvements to Reportable Segment Disclosures (or ASU 2023-07). ASU 2023-07 introduced updates for how significant segment expense categories and amounts for each reportable segment are disclosed. A significant segment expense is defined as an expense that is: a) Significant to the segment, b) Regularly provided to or easily computed from information regularly provided to the chief operating decision maker, and c) Included in the reported measure of segment profit or loss. The additional disclosure for segmented reporting is intended to provide additional information to financial statement users as now expenses such as direct expenses, shared expenses, allocated corporate overhead, or significant interest expense need to be disaggregated and reported separately for each segment. ASU 2023-07 also requires that all segment-related disclosures required by FASB Topic 280 (Segment Reporting) be made also by entities that have a single reportable segment. ASU 2023-07 is effective for public entities for fiscal years beginning after December 15, 2023, and interim periods in fiscal years beginning after December 15, 2024, and early adoption is permitted. Upon adoption, a public entity will apply the ASU as of the beginning of the earliest period presented. The Company has assessed that the adoption of this standard will not have any impact on the Company's consolidated financial statements and related disclosures.

3. Transactions with Related Parties

(a) Diana Wilhelmsen Management Limited, or DWM:

On November 29, 2021, the Company appointed DWM to provide management services for the vessels of the Company's fleet pursuant to a management agreement, under which each of the vessel-owning subsidiaries pays, for each vessel, an aggregate of 1.25% on hire and on freight of the vessel's gross income per month, plus either (i) $20,000 per month that the vessel is employed or available for employment or (ii) $10,000 per month for each month that the vessel is laid-up and not available for employment for at least 15 calendar days during such month. Under the addenda on the management agreements, dated March 1, 2022, the fixed monthly management fee was amended to (i) $18,500 per month that the vessel is employed or available for employment or (ii) $9,250 per month for each month that the vessel is laid-up and not available for employment for at least 15 calendar days during such month. The management agreements, as amended, may be terminated by either party on three months' prior written notice. DWM is deemed a related party to the Company on the basis that certain members of the Company's board of directors also act as members of the board of directors at DWM. Management fees charged by DWM for the years ended December 31, 2023 and 2022 and for the period from inception (April 15, 2021) through December 31, 2021, amounted to $1,319, $974 and $79, respectively. Of the management fees charged by DWM for the years ended December 31, 2023 and 2022 and for the period from inception (April 15, 2021) through December 31, 2021, $1,086, $737 and $62, respectively, are included in "Management fees to related parties" and $233, $237, and $17, respectively, are included in "Voyage expenses", in the accompanying consolidated statements of comprehensive (loss)/income. As of December 31, 2023 and 2022, amounts of $12 and $5, were due to and due from DWM, included in "Due to related parties" and "Due from a related party", respectively, in the accompanying consolidated balance sheets.

(b) Steamship Shipbroking Enterprises Inc. or Steamship:

On November 29, 2021, the Company appointed Steamship to provide insurance, administrative and brokerage services pursuant to a management agreement for insurance-related services, a brokerage services agreement, and an administrative services agreement. Under each vessel-owning subsidiary's insurance management agreement with Steamship, the vessel-owning subsidiary pays Steamship a fixed fee of either (i) $500 per month for each month that the vessel is employed or is available for employment or (ii) $250 per month for each month that the vessel is laid-up and not available for employment for at least 15 calendar days during such month. These insurance management agreements may be terminated by either party on three months' prior written notice. Under the brokerage services agreement, the Company pays Steamship a lumpsum commission and 2.5% on the hire agreed per charter party for each vessel, provided, however, that the Company and Steamship may agree to commissions on a percentage basis for specific deals. Up to December 31, 2022, as per the terms of the brokerage services agreement, the Company paid Steamship a fixed monthly fee of $95,000, which, with effect from January 1, 2023, was increased to $150,000 subject to the provisions of a new brokerage services agreement entered into with Steamship on March 7, 2023, the remaining terms of which remained unaltered. The new brokerage services agreement has an initial term of twelve months that commenced on January 1, 2023, and is automatically thereafter renewed for further periods of one calendar year, unless terminated by either party on three months' prior written notice. Under the administrative services agreement entered into between the Company and Steamship, the Company pays Steamship a monthly fee of $10,000. The administrative services agreement may be terminated by either party on 30 days' prior written notice. The administrative services agreement had an initial term of twelve months with effect from November 29, 2021, and an automatic further twelve-month renewal term. On November 29, 2023, the Company entered into a new administrative services agreement with Steamship on substantially the same terms as the expired agreement. Steamship is deemed a related party to the Company on the basis that members of the Company's board of directors also act as board of directors' members at Steamship and since January 2023, Steamship is controlled by the Company's Chairperson. For the years ended December 31, 2023 and 2022 and for the period from inception (April 15, 2021) through December 31, 2021, insurance and administrative management fees amounted to $150, $141 and $12, respectively, and are included in "Management fees to related parties" in the accompanying consolidated statements of comprehensive (loss)/income. For the years ended December 31, 2023 and 2022 and for the period from inception (April 15, 2021) through December 31, 2021, aggregate brokerage fees amounted to $2,266, $1,614 and $178, respectively. Of the brokerage fees charged by Steamship for the years ended December 31, 2023 and 2022 and for the period from inception (April 15, 2021) through December 31, 2021, $1,800, $1,140 and $145, respectively, are included in "General and administrative expenses", whereas, $466, $474 and $33, respectively, are included in "Voyage expenses" in the accompanying consolidated statements of comprehensive (loss)/income. During 2023, in connection with the Company's chemical tankers' investment (Note 4), Steamship charged the Company one off brokerage fee amounting to $150 that is included in "Equity method investment" in the accompanying 2023 consolidated balance sheet.

For the years ended December 31, 2023 and 2022 and for the period from inception (April 15, 2021) through December 31, 2021, accrued performance bonuses of $230, $185 and $nil are included in "General and administrative expenses" in the accompanying consolidated statements of comprehensive (loss)/income (Note 12(c)). As of December 31, 2023 and 2022, there was an amount of $462 and $410, respectively, due to Steamship, included in "Due to related parties" in the accompanying consolidated balance sheets, regarding outstanding fees for the services provided under the agreements discussed above and also resulting from amounts paid by Steamship on behalf of the Company.

(c) Diana Shipping Inc., or DSI:

Spin-Off: On November 29, 2021, the Company completed its Spin-Off from DSI. In connection with the Spin-Off, DSI contributed to the Company three ship-owning companies (Cypres, Darien and Marfort discussed in Note 1) together with $1,000 in working capital, whereas as of the same date, stockholders of DSI received one of the Company's common shares for every 200 shares of DSI's common stock owned at the close of business on November 3, 2021 (i.e., 44,101 shares). DSI also received 500,000 of the Company's Series B Preferred Stock (the "Series B Preferred Stock") and 10,000 of the Company's Series C Convertible Preferred Stock (the "Series C Preferred Stock") (Note 7(c)). DSI did not distribute the Series B Preferred Stock or the Series C Preferred Stock to its stockholders in connection with the Spin-Off, and the Series B and Series C Preferred Stock are non-transferable. The transaction was approved unanimously by the Board of Directors of the Company.

Pursuant to the Contribution and Conveyance agreement dated on November 8, 2021, as amended and restated on November 17, 2021, entered between the Company and DSI, DSI has indemnified the Company and the three above mentioned vessel-owning subsidiaries, for any and all obligations and other liabilities arising from or relating to the operation, management or employment of the Company's vessels prior to the effective date of the Spin-Off (November 29, 2021). Additionally, pursuant to a Right of First Refusal agreement entered with DSI, dated November 8, 2021, the Company has been granted a right of first refusal over six identified drybulk carriers owned by DSI, effective as of the consummation of the Spin-Off. According to this right of first refusal, the Company has been granted the right, but not the obligation, to purchase one or all of the six identified vessels when and if DSI determines to sell the vessels at fair market value at the time of sale. As of December 31, 2023, following the Company's refusal to acquire two of the identified vessels and the acquisition of the M/V Melia in February 2023 and the M/V Baltimore in September 2022 (Note 5), two out of six identified vessels remained available for purchase by the Company pursuant to the exercise of the right of first refusal under the agreement entered between the Company and DSI.

Furthermore, the Company as of November 2, 2021, has entered into a Non-Competition agreement with DSI pursuant to which DSI has agreed not to compete with the Company for vessel acquisition or chartering opportunities to the extent that such acquisition or chartering opportunities are suitable for the Company or one of the Company's vessels.

The Spin-Off was accounted for at fair values. The aggregate fair value of $46,040 for the three vessels contributed to the Company on November 29, 2021, was determined through Level 2 inputs of the fair value hierarchy by taking into consideration third party valuations which were based on the last done sales of vessels with similar characteristics, such as type, size and age at the specific dates (Note 5). The fair value of other assets contributed to the Company, mainly comprising lubricating oils and bunkers, amounting to $1,044 in aggregate, approximated their respective carrying value. The Series B Preferred Stock which has no economic interest was recorded at par, amounting to $5 and the Series C Preferred Stock has been recorded at a fair value of $7,570 determined based on valuation obtained by an independent third party for the purposes of the Spin-Off (Note 7(c)).

Vessel acquisitions and issuances of Series D Preferred Stock: On June 13, 2022 and February 1, 2023, pursuant to the exercise of the right of first refusal discussed above, the Company, through Darrit and Fiji, entered into separate Memoranda of Agreement with DSI, as amended, to acquire the Capesize M/V Baltimore and the Panamax M/V Melia, for purchase prices of $22,000 and $14,000, respectively. Of the agreed purchase price for each vessel, $4,400 for Baltimore and $4,000 for Melia was paid in cash upon signing of each Memorandum of Agreement and the remaining amounts of $17,600 and $10,000, respectively, were paid upon delivery of each vessel to the Company, on September 20, 2022 and February 8, 2023, respectively, in the form of 25,000 and 13,157 shares of the Company's Series D Preferred Stock, respectively (Notes 5 and 7(c)). The vessels' cost was accounted for at $22,000 and $14,000, respectively, pursuant to the provisions of ASC 360, being the fair value of the consideration that the Company contributed to acquire each vessel, including the fair value of the non-cash consideration. The Series D Preferred Stock has been recorded at a fair value of $17,600 and $10,000, respectively determined based on valuations obtained by an independent third party for the purposes of the transactions (Note 7(c)). Each of the vessel acquisitions was approved by a committee of independent members of the Company's Board of Directors.

In connection with the issuances of the Series D preferred stock for the acquisitions of the M/V Baltimore and the M/V Melia, DSI declared special stock dividends to all its stockholders of record as of November 28, 2022, and April 24, 2023, respectively, of all of the Company's shares of Series D Preferred Stock held by DSI at that time. The dividends were paid on December 15, 2022, and June 9, 2023, respectively (Note 7(c)).

Redemption of Series C Preferred Stock: On October 17, 2023, pursuant to the provisions of the Series C Preferred Stock statement of designations, DSI exercised its right to redeem 9,793 of its 10,000 Series C Preferred Stock, through the issuance to DSI of 3,649,474 of the Company's shares of common stock. The redemption rate which was utilized in connection with the redemption of the Series C Preferred Stock was based on the 10-day trailing VWAP of the Company's common stock, in accordance with the conversion mechanism prescribed in the Series C Preferred Stock statement of designations. As a result of this redemption, the 9,793 Series C preferred shares have been cancelled and retired and 207 Series C Preferred Stock of the Company remained in DSI's possession. The Company's valuation determined that the redemption on October 17, 2023 of 9,793 Series C Preferred Stock for the issuance of the above Company's shares of common stock resulted in an excess value of the shares of common stock of $2,549 or $0.70 per common share, as compared to the carrying value of the Series C Preferred Stock redeemed (which have been recorded at inception at a fair value of $7,414 determined based on valuation obtained by an independent third party for the purposes of the Spin-Off), that was transferred to DSI on the measurement date (i.e. October 17, 2023), and thus this value represented a deemed dividend to DSI, that was deducted from the net loss to arrive at the net loss available to common stockholders (Note 8). The fair value of the common shares issued on the measurement date of $9,963 was determined through Level 1 inputs of the fair value hierarchy (quoted market price on the date of the redemption of the Series C Preferred Stock for issuance of common stock). As of December 31, 2023, and 2022, there was no amount due to or from DSI.

(d) Issuance of Series E Preferred Stock:

On March 20, 2023, the Company issued 1,200 shares of its newly designated Series E Perpetual Convertible Preferred Stock (the "Series E Preferred Stock"), par value $0.01 per share, to an affiliated company of its Chairperson, for a purchase price of $35. The Series E Preferred Stock votes with the common shares of the Company, and each share of the Series E Preferred Stock entitles the holder thereof to up to 25,000 votes on all matters submitted to a vote of the stockholders of the Company, subject up to 15% of the total number of votes entitled to be cast on matters put to stockholders of the Company. The issuance of shares of Series E Preferred Stock to the Company's Chairperson was approved by an independent committee of the Company's Board of Directors, which received a fairness opinion from an independent third party that the transaction was fair from a financial point of view to the Company (Note 7(c)).

(Expressed in thousands of U.S. Dollars – except share, per share, warrants' and scrap rate data, unless otherwise stated)

(e) Altair Travel Agency S.A. ("Altair"):

The Company uses from time to time the services of a travel agent, Altair, on which the Company's Chairperson, holds equity interests. Travel expenses charged by Altair for the year ended December 31, 2023 amounted to $55 and are mainly included in "Vessel operating expenses" and "Deferred charges, net" in the accompanying consolidated financial statements.

4. Equity Method Investment

On August 29, 2023, the Company agreed to make a 27.5% investment in a Norwegian limited liability company, RFSea, that is constructing under separate newbuilding contracts, two 6,600 dwt methanol-ready, stainless steel chemical tankers, with expected delivery dates between the fourth quarter of 2025 and the first quarter of 2026. As a result of entering this transaction, the Company committed an aggregate amount of $4,125, due in three equal installments of $1,375 each. The first installment was paid in mid-September 2023, and the two remaining installments are due in late 2024 and mid-2025, respectively. In assessing the accounting treatment for this transaction, the Company evaluated ASC 810 and concluded that RFSea is a VIE and that the Company does not individually have the power to direct the activities of the VIE that most significantly affect its performance. The noncontrolling interest of 27.5% into RFSea was accounted for under the equity method due to the Company's significant influence over RFSea. As of December 31, 2023, the investment in RFSea amounted to $1,645 and is included in "Equity method investment" in the accompanying 2023 consolidated balance sheet.

For the year ended December 31, 2023, the gain from this investment amounted to $2 and is presented in "Gain from equity method investment" in the accompanying 2023 consolidated statement of comprehensive (loss)/income. Furthermore, the Company incurred net transaction costs in connection with this transaction which amounted to $268 and are presented in "Equity method investment" in the accompanying 2023 consolidated balance sheet. The Company's maximum exposure to a loss as a result of its investment in RFSea, is limited to its committed amounted in this investment, $4,125.

5. Vessels, net

The amounts reflected in "Vessels, net" in the accompanying consolidated balance sheets are analyzed as follows:

	Vessel Cost	Accumulated Depreciation	Net Book Value
Balance, December 31, 2021	**$ 46,082**	**$ (354)**	**$ 45,728**
-Vessel acquisitions	22,000	-	22,000
-Additions for improvements	694	-	694
- Depreciation for the year	-	(4,750)	(4,750)
Balance, December 31, 2022	**$ 68,776**	**$ (5,104)**	**$ 63,672**
-Vessel acquisition	14,064	-	14,064
-Additions for improvements	304	-	304
- Depreciation for the year	-	(6,940)	(6,940)
Balance, December 31, 2023	**$ 83,144**	**$ (12,044)**	**$ 71,100**

Vessel acquisitions

In June 2022, Darrit entered into a memorandum of agreement, as amended, to purchase from DSI, the Capesize dry bulk carrier M/V Baltimore, for the purchase price of $22,000 pursuant to the right of first refusal granted by DSI (Notes 3(c) and 7(c)). The vessel was delivered to the Company on September 20, 2022.

In February 2023, Fiji entered into a memorandum of agreement, as amended, to purchase from DSI, the Panamax dry bulk carrier M/V Melia, for the purchase price of $14,000 pursuant to the right of first refusal granted by DSI (Notes 3(c) and 7(c)). The vessel was delivered to the Company on February 8, 2023. Predelivery expenses amounted to $64.

Vessel improvements

Vessel improvements mainly relate to the implementation of ballast water treatment system and other works necessary for the vessels to comply with new regulations and be able to navigate to additional ports. During 2023 and 2022, the additions to vessels' cost amounted to $304 and $694, respectively.

Change in scrap rate estimate

Effective July 1, 2023, the Company changed the estimated scrap rate of all of its vessels from $250 per lightweight ton to $400 per lightweight ton. This change was made because the historical scrap rates over the past ten years have increased and as such the $250 rate was no longer considered representative. For 2023, this increase in the vessels' salvage value has reduced depreciation and net loss by approximately $917 and basic and diluted loss per share by approximately $0.28 and $0.27, respectively.

6. Commitments and Contingencies

(a) Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance, and other claims with suppliers relating to the operations of the Company's vessels. The Company accrues for the cost of environmental and other liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. The Company's vessels are covered for pollution in the amount of $1 billion per vessel per incident, by the P&I Association in which the Company's vessels are entered. The Company's vessels are subject to estimated total calls payable to their P&I Association and may be subject to supplementary calls which are calculated as a percentage of the net estimated total calls for each year and after deducting any applicable rebates, laid up returns and other deductions. A decision to levy supplementary calls is made by the Board of Directors of the Association at any time during or after the end of the relevant policy year. There is no limit to the number or amount of supplementary calls that can be levied in respect of a policy year. Supplementary calls, if any, are issued when they are announced and according to the period they relate to. The Company, so far, has not been made aware of any supplementary calls outstanding in respect of any policy year.

The Company has certain outstanding amounts from disputes with two charterers for revenues recognized during the year ended December 31, 2022, which in aggregate amounted to $236 as of December 31, 2023 and are included in Prepaid expenses and other assets, net, in the accompanying 2023 consolidated balance sheet. In connection with the respective open cases, the Company has estimated as of December 31, 2023, that loss contingencies of $19 may arise, and has further established aggregate allowances for doubtful accounts of $170, both included in "Other operating loss/(income)" in the accompanying 2023 consolidated statement of comprehensive loss.

(b) As of December 31, 2023, all of the Company's vessels were fixed under time charter agreements, considered as operating leases and accounted for as per the provisions of ASC 842. The minimum contracted revenues expected to be generated (gross of charterers' commissions), based on the existing commitments to non-cancelable time charter contracts as of December 31, 2023 and until their expiration dates, all falling with the first semester of 2024, are estimated at $4,038.

(c) As of December 31, 2023, the total contractual obligations in connection with the Company's chemical tankers' investment amounted to $2,750, of which $1,375 is expected to be due in the fourth quarter of 2024 and $1,375 is expected to be due in the second quarter of 2025 (Note 4).

7. Capital Stock and Changes in Capital Accounts

(a) Common Stock

As of April 15, 2021, the date of Company's incorporation, the Company's authorized share capital was 500 shares of common stock, par value $0.01 per share, issued to DSI. On November 29, 2021, the Company's articles of incorporation were amended and restated. Under the Company's amended and restated articles of incorporation, the Company's authorized common stock consists of 1 billion shares of common stock, par value $0.01 per share, of which 44,101 shares were issued and outstanding on November 29, 2021, immediately upon the Spin-Off consummation (Note 3(c)) and remained issued and outstanding as of December 31, 2021 (all shares of common stock in registered form). As of December 31, 2023, and 2022, following the events described below, 7,448,601 and 509,200 shares of common stock were issued and outstanding (all shares of common stock in registered form).

(i) Receipt of Nasdaq Notices and Reverse Stock Splits:

On March 8, 2022, the Company received a written notification from Nasdaq indicating that because the closing bid price of the Company's common shares for 30 consecutive business days, i.e., from January 21, 2022 to March 7, 2022, was below the minimum $1.00 per share bid price requirement for continued listing on the Nasdaq, the Company was not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), the original applicable grace period to regain compliance was 180 days, or until September 5, 2022. On September 6, 2022, the Company was granted an additional 180-day period from the Nasdaq Capital Market, through March 6, 2023, to regain compliance with the $1.00 minimum bid price requirement for continued listing on the Nasdaq Capital Market. Effective December 22, 2022, the Company effected a one-for-ten reverse stock split on its issued and outstanding common stock. The one-for ten ratio was approved by the Company's Board on December 19, 2022. The Company's common stock began trading on a split-adjusted basis on the Nasdaq Capital Market at the opening of trading on December 22, 2022. As a result of this reverse stock split, the number of the Company's issued and outstanding common shares was reduced with no change in the number of the Company's authorized shares or the par value of the Company's common stock. As of January 6, 2023, the Company's common stock remained at $1.00 per share or higher for ten consecutive days. As such, on January 9, 2023, the Company received a letter from the Nasdaq confirming that it regained compliance with the minimum bid price requirement.

On March 27, 2023, the Company further received a written notification from Nasdaq indicating that because the closing bid price of the Company's common shares for 32 consecutive business days, i.e., from February 8, 2023 to March 24, 2023, was below the minimum $1.00 per share bid price requirement for continued listing on the Nasdaq, the Company was not in compliance with Nasdaq Listing Rule 5550(a)(2). Pursuant to the Nasdaq Listing Rules, the applicable grace period to regain compliance was 180 days, or until September 25, 2023. On May 24, 2023, pursuant to shareholder approval granted on May 3, 2023 which authorized the Company's Board of Directors to effect one or more reverse stock splits of its issued common shares, in the aggregate ratio of not more than 1-for-250, with the exact ratio to be determined by the Board of Directors in its discretion, the Company's board of directors approved a one-for-20 reverse stock split of the Company's common shares. The reverse stock split took effect and the Company's common shares began trading on a split-adjusted basis on Nasdaq Capital Market, as of the opening of trading on June 8, 2023, under the existing trading symbol "OP". As a result of this reverse stock split, on June 8, 2023, the number of the Company's issued and outstanding common shares was reduced to 1,259,135 with no change in the number of the Company's authorized shares or the par value of the Company's common stock. As of June 22, 2023, the Company's common stock had remained at $1.00 per share or higher for ten consecutive business days. As such, on June 23, 2023, the Company received a letter from the Nasdaq confirming that it regained compliance with the minimum bid price requirement.

(ii) Equity Offerings:

January 2022 Underwritten Public Offering:

On January 12, 2022, the Company filed a registration statement with the SEC on Form F-1, which was declared effective on January 20, 2022. On January 25, 2022, the Company closed an underwritten public offering of 15,571,429 units at a price of $0.77 per unit, 200 units consisting of one share of the Company's common stock (or 200 prefunded warrants in lieu of one share of the Company's common stock) and 200 Class A warrants to purchase one common share of the Company's common stock and was immediately separated upon issuance (the "January 2022 Offering"). In particular, upon the closing of the offering, 65,357 shares of common stock, 2,500,000 prefunded warrants to purchase 12,500 shares of common stock, and 15,571,429 Class A warrants to purchase 77,857 shares of common stock were sold.

In addition, the Company had previously agreed with certain of its' executive officers and significant stockholders (the "selling stockholders") to register their resale of shares of common stock, whereas an aggregate of 8,886 shares of common stock of certain of the selling stockholders were registered in connection with the January 2022 offering. As such, certain selling stockholders sold an aggregate of 3,143 shares of common stock in the primary offering. Each of the 3,143 shares of common stock sold by the selling stockholders on the primary offering was delivered to the underwriters with 200 additional Class A warrants to purchase one share of common stock (sold by the Company), on a firm commitment basis. In addition, the underwriter for the offering fully-exercised its option to purchase an additional 5,743 common shares sold from the selling stockholders and 6,407 common shares along with 2,430,000 Class A warrants to purchase 12,150 shares of common stock sold from the Company. Each of the 5,743 shares of common stock sold by the selling stockholders upon exercise of the underwriters' over-allotment option, was sold with 200 Class A warrants (sold by the Company) to purchase one share of common stock, on a firm commitment basis. The Company did not receive any of the proceeds from the sale of common shares by the selling stockholders and only received the proceeds for the Class A warrants sold together with the selling stockholders' shares of common stock (i.e., Class A warrants to purchase 8,886 shares of common stock in aggregate). The net proceeds received during 2022, under the January 2022 Offering, including the exercise of Class A and prefunded warrants discussed in Note 7(b) below and after deducting underwriting commissions and offering expenses paid by the Company, amounted to $14,736. The Company has recorded the excess of the proceeds received over the par value of common stock to additional paid in capital.

February 2023 Registered Direct Offering and Concurrent Private Placement:

On February 8, 2023, the Company closed a registered direct offering of 15,000,000 units, at a price of $1.01 per unit, with each twenty units consisting of one share of the Company's common stock and twenty Class B warrants exercisable for one share of the Company's common stock. The Company also offered to each purchaser, with respect to the purchase of units that would otherwise result in the purchaser's beneficial ownership exceeding 4.99% of the Company's outstanding common stock immediately following the consummation of the offering, the opportunity to purchase twenty prefunded warrants in lieu of one share of common stock. As a result of the above, on February 10, 2023, the Company issued and sold 15,000,000 units comprising of 615,000 shares of the Company's common stock, 2,700,000 prefunded warrants to purchase 135,000 shares of common stock, and 15,000,000 Class B warrants to purchase 750,000 shares of the Company's common stock.

The Company, concurrently with this transaction, also conducted a private placement of 15,000,000 additional unregistered at that time warrants to purchase up to an aggregate 750,000 shares of the Company's common stock (Note 7(b)). On February 23, 2023, the Company filed with the SEC a resale registration agreement on Form F-1 for the registration of the private placement warrants in this transaction, which was declared effective on March 8, 2023.

The gross and net proceeds received in the February 2023 Registered Direct Offering and the Concurrent Private Placement, including the proceeds from the exercise of the 2,700,000 prefunded warrants discussed above, amounted to $15,150 and $13,296, respectively.

(b) Warrants

As discussed under 7(a)(ii) above, all prefunded warrants (i.e., 2,500,000) and 4,156,000 Class A warrants in the January 2022 Offering have been exercised resulting in the issuance of an aggregate 33,280 shares of common stock during 2022. The Class A warrants were immediately exercisable and expire in five years from issuance, i.e., in January 2027. The Company may at any time during the term of the Class A warrants reduce the then current exercise price of each warrant to any amount and for any period of time deemed appropriate by the board of directors of the Company, subject to terms disclosed in the warrants' agreements. The Class A warrants also contain a cashless exercise provision, whereby if at the time of exercise, there is no effective registration statement, then the Class A warrants can be exercised by means of a cashless exercise as disclosed in the warrants' agreement. All Class A warrants are classified as equity, in accordance with the Company's accounting policy (Note 2(x)). In particular, the Company in its assessment for the accounting of the Class A and the prefunded warrants issued in connection with the January 2022 Offering, analyzed key features of the warrants and determined that classification as permanent equity is appropriate, and no features required bifurcation (other than those with de minimis value) or fall under the scope exceptions from derivative accounting. Based on the terms of the Class A warrants' agreement, each holder of a Class A warrant is, at any time after the issuance of the warrants, entitled to participate in the distribution of dividends by the Company, if and when declared, to the same extent that the holder would participate for each common share that such holder would be entitled to receive upon complete exercise of their Class A warrants (Notes 7(a) and 8).

Further, as also discussed under 7(a)(ii) above, the Company, in connection with the February 2023 Registered Direct Offering and the Concurrent Private Placement, issued 15,000,000 Class B Warrants to purchase 750,000 common shares, 15,000,000 private placement warrants to purchase 750,000 common shares, and 2,700,000 prefunded warrants to purchase 135,000 common shares. The prefunded warrants were exercisable at an exercise price of $0.20 per common share and were exercisable at any time after their original issuance date (i.e., February 10, 2023) until they were exercised in full. The Class B warrants have an exercise price of $20.20 per common share and are exercisable at any time after their original issuance up to the date that is five years after their original issue date, i.e., February 10, 2028. The private placement warrants also had an exercise price of $20.20 per common share and an identical to the Class B warrants exercise period. Alternatively, the holder of each private placement warrant, could elect to exercise such warrants on a cashless basis at the rate of 0.75 common share per twenty warrants on or after the later of (i) the date the selling shareholders' registration statement was declared effective, (ii) March 24, 2023, and (iii) the date the aggregate cumulative trading volume of the Company's common shares beginning on February 8, 2023 exceeds 60 million shares. The latter of the above conditions was satisfied on June 8, 2023, and, as a result, from that date onwards holders of the private placement warrants could elect to exercise their warrants on an alternative cashless basis. The Class B warrants and the private placement warrants also contain/contained a cashless exercise provision, whereby, if at the time of exercise there is no effective registration statement registering those warrants for resale, then these warrants can/could be exercised by means of a cashless exercise as per the mechanism prescribed in the respective warrants' agreements. The Company may/could at any time during the term of its Class B warrants and private placement warrants reduce the then current exercise price of each warrant to any amount and for any period of time deemed appropriate by the board of directors of the Company, subject to terms disclosed in the respective warrants' agreements.

As of December 31, 2023, all of the 2,700,000 prefunded warrants issued in the February 2023 Registered Direct Offering have been exercised. Further, during 2023, the Company received notices of alternative cashless exercises for all the 15,000,000 private placement warrants issued in the Concurrent Private Placement which resulted in the issuance of 562,501 shares of common stock.

The Company in its assessment for the accounting of the Class B warrants, private placement warrants, and the prefunded warrants issued in the February 2023 Registered Direct Offering and the Concurrent Private Placement, has taken into consideration the provisions enumerated under ASC 480 and ASC 815 (Note 2(x)). With regards to the Class B warrants and the prefunded warrants, the Company determined that they are out of the scope of ASC 480 and, by further analyzing their key features, that classification in permanent equity is appropriate and no features required bifurcation. In its assessment of the accounting treatment of the private placement warrants, the Company determined that the alternative cashless exercise of the private placement warrants precluded them from being considered indexed to the Company's stock. In this respect, the Company initially recorded the private placement warrants as noncurrent liabilities at their fair value under Warrants' liability on the accompanying consolidated balance sheet, with subsequent changes in their respective fair values recognized in line "Changes in fair value of warrants' liability" in the accompanying consolidated statement of comprehensive (loss)/income. Estimating fair values of liability-classified financial instruments requires the development of estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. In addition, option-based techniques are highly volatile and sensitive to changes in the trading market price of the Company's common stock. Because liability-classified financial instruments are recorded at fair value, the Company's financial results reflected the volatility and changes in these estimates and assumptions until the respective liability was fully extinguished. As of the date the Company completed the 2023 February Registered Direct Offering and the concurrent private placement (i.e. February 10, 2023), the private placement warrants were valued using the Black-Scholes option pricing model at a fair value of $7,504 in aggregate, while the remaining gross proceeds of the offering amounting to $7,619 (net proceeds of $6,699) were allocated to common shares, prefunded warrants, and Class B warrants using the residual value method. Issuance costs amounting to $909 were expensed using the pro rata method by taking into account the portion of the liability recorded at inception and are included in "Finance costs" in the accompanying consolidated statements of comprehensive (loss)/income. As mentioned above, pursuant to the exercises of all the private placement warrants during 2023, on an alternative cashless basis for 562,501 shares of common stock, the warrants were marked to their fair value at their respective settlement dates and then the respective warrants' liability aggregating to an amount of $1,282 got settled with relevant transfers of $6 to par value and $1,276 to additional paid-in-capital within the accompanying consolidated statement of stockholders' equity for the year ended December 31, 2023. The gain of $6,222 resulting from the settlement of the warrants' liability throughout the period was accounted for as a change in fair value of the warrants' liability and is presented in "Change in fair value of the warrants' liability" in the accompanying consolidated statements of comprehensive (loss)/income. The private placement warrants' fair value as of their initial measurement and subsequent settlement dates per discussion above, was determined through Level 3 inputs of the fair value hierarchy as determined by management. The Company weighed the probability that such warrants were alternatively cashless exercised for common shares in the initial fair value measurement of the private placement warrants, while the Black-Scholes option pricing model was applied under the following assumptions: (a) expected volatility (b) risk free rate (c) market value of common stock of, which was the current market price at each fair value measurement date. Fair value sensitivity was driven by the stock price at the time of valuation and is limited in terms of the other parameters.

As of December 31, 2023, and 2022, pursuant to the January 2022 Offering, 14,474,000 Class A warrants to purchase 72,370 shares of common stock remained available for exercise at an exercise price of $154 dollars per common share. As of December 31, 2023, all the 15,000,000 Class B warrants to purchase an aggregate 750,000 common shares in the February 2023 Registered Direct Offering remained available for exercise at an exercise price of $20.20 dollars per common share.

Dividends to common stock and Class A warrant holders:

On March 18, 2022, the Company's Board of Directors declared a cash dividend of $10 per share for the fourth quarter ended December 31, 2021, to its common stockholders of record as of April 1, 2022. The Company had 149,145 shares of common stock issued and outstanding on the record date (April 1, 2022). Holders of the Company's Class A warrants as of April 1, 2022, received a cash payment in the amount of $10 for each common share that such holder would be entitled to receive upon exercise of their Class A warrants. As of the record date (April 1, 2022), there were Class A warrants exercisable for an aggregate of 72,370 common shares. On April 11 and 13, 2022, the Company paid a dividend of $1,491 on common stock and of $724 on Class A warrant holders of record on April 1, 2022, amounting to $2,215 in aggregate.

On May 30, 2022, the Company's Board of Directors declared a cash dividend of $2 per share for the first quarter ended March 31, 2022, to its' common stockholders of record as of June 14, 2022. The Company had 149,145 shares of common stock issued and outstanding on the record date (June 14, 2022). Holders of the Company's Class A warrants as of June 14, 2022, received a cash payment in the amount of $2 for each common share that such holder would be entitled to receive upon exercise of their Class A warrants. As of record date June 14, 2022, there were Class A warrants exercisable for an aggregate of 72,370 common shares. On June 21, 2022, the Company paid a dividend of $299 on common stock and of $144 on Class A warrants holders of record on June 14, 2022, amounting to $443 in aggregate.

On July 27, 2022, the Company's Board of Directors declared a cash dividend of $2 per share for the second quarter ended June 30, 2022, to its' common stockholders of record as of August 12, 2022. The Company had 149,145 shares of common stock issued and outstanding on the record date (August 12, 2022). Holders of the Company's Class A warrants as of August 12, 2022, received a cash payment in the amount of $2 for each common share that such holder would be entitled to receive upon exercise of their Class A warrants. As of record date August 12, 2022, there were Class A warrants exercisable for an aggregate of 72,370 common shares. On August 31, 2022, the Company paid a dividend of $299 on common stock and of $144 on Class A warrants holders of record on August 12, 2022, amounting to $443 in aggregate.

(c) Preferred Stock

As of December 31, 2023, and 2022, the Company's authorized preferred stock consisted of 100,000,000 shares of preferred stock, par value $0.01 per share, designated as Series A Participating Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock. As of December 31, 2023, and 2022, there were no Series A Participating Preferred Stock issued and outstanding.

(i) Series B Preferred Stock

As of December 31, 2023 and 2022, the Company had outstanding 500,000 Series B Preferred Stock, with par value $0.01 per share, issued to DSI. The Series B Preferred Stock votes with the common shares of the Company, and each share of Series B Preferred Stock entitles the holder thereof to 2,000 votes on all matters on which the Company's stockholders are entitled to vote of up to 34% of the total number of votes entitled to be cast for all matters for which the Company's stockholders are entitled to vote on, but with no economic rights. To the extent the aggregate voting power of any holder of Series B Preferred Stock, together with any affiliate of such holder, would exceed 49% of the total number of votes that may be cast on any matter submitted to a vote of the Company's stockholders, the number of votes of the Series B Preferred Stock shall be automatically reduced so that such holder's aggregate voting power, together with any affiliate of such holder, is not more than 49%. Furthermore, the Series B Preferred Stock has no dividend, distribution or liquidation rights and cannot be transferred without the consent of the Company except to the holder's affiliates or successors.

(ii) Series C Preferred Stock

The Series C Preferred Stock, with liquidation preference $1,000 per share, has no voting rights except (1) in respect of amendments to the articles of incorporation which would adversely alter the preferences, powers or rights of the Series C Preferred Stock or (2) in the event that the Company proposes to issue any parity stock if the cumulative dividends payable on outstanding Series C Preferred Stock are in arrears or any senior stock. Also, holders of Series C Preferred Stock, rank prior to (i) the holders of common shares, (ii) if issued, any Series A Participating Preferred Stock, the Series B Preferred Stock and (iii) any other class or series of capital stock established after their original issuance date (i.e. November 29, 2021) with respect to dividends, distributions and payments upon liquidation. The Series C Preferred Stock has a cumulative preferred dividend accruing from the date of original issuance which is payable on the 15th day of January, April, July and October of each year at the dividend rate of 8.0% per annum, and is convertible into common shares at the holders' option commencing upon the first anniversary of the original issuance date, at a conversion price equal to the lesser of $1,300.00 (subject to change under anti-dilution provisions) and the 10-trading day trailing VWAP of the common shares, or at any time after the issuance date (i.e. November 29, 2021) in case of any fundamental change (i.e. liquidation, change of control, dissolution or winding up of the affairs) of the Company. The Series C Preferred Stock is also optionally redeemable at the holder's option in case of fundamental change, if the holder does not exercise its conversion right discussed above, and optionally redeemable at the option of the holder in case of certain corporate events as defined in the statement of designations of the Series C Preferred Stock. The holder, however, is prohibited from converting the Series C Preferred Stock into common shares to the extent that, as a result of such conversion, the holder (together with its affiliates) would beneficially own more than 49% of the total outstanding common shares of the Company.

The Series C Preferred Stock is not mandatorily redeemable and does not meet any other criteria under ASC 480 to be classified as liability, and under the Company's assessment is classified in permanent equity, according to the Company's accounting policy (Note 2(x)). In particular, the Company assessed that certain of the aforementioned features requiring bifurcation under ASC 815 had de minimis value at inception and in each measurement date, while others were clearly and closely related to the host instrument thus no bifurcation was required or falling under the scope exceptions from derivative accounting.

As of December 31, 2023, the Series C Preferred Stock remained outside the scope of ASC 480, classified as permanent equity, while all features requiring bifurcation under ASC 815 at inception, were determined of de minimis value upon reassessment as of December 31, 2023.

Further, on October 17, 2023, DSI elected to redeem 9,793 of the 10,000 Series C Preferred Stock issued to DSI in the Spin-Off (Note 3(c)). The 10,000 Series C Preferred Stock issued in the Spin-Off have been recorded at inception at a fair value of $7,570 determined based on valuation obtained by an independent third party for such purpose.

As a result of the above and the issuance of Series C Preferred Stock discussed below (Note 7(v)) as of December 31, 2023, and 2022, the Company had 5,521 and 10,000 shares of Series C Preferred Stock issued and outstanding, respectively, with par value of $0.01 per share.

Dividend payments and declarations on Series C Preferred Stock:

On January 17, 2023, pursuant to a dividend declared on December 27, 2022, the Company paid a quarterly dividend of $20 per share, or $240 in aggregate, on its outstanding 10,000 Series C Preferred Stock and the 1,982 shares of Series C Preferred Stock awarded to the Company's board of directors on April 15, 2022, for the period from October 15, 2022, up to and including January 14, 2023.

On April 17, 2023, pursuant to a dividend declared on March 27, 2023, the Company paid a quarterly dividend of $20 per share, or $268 in the aggregate on i) the Company's outstanding 10,000 Series C Preferred Stock, ii) the 1,982 shares of Series C Preferred Stock awarded to the Company's board of directors on April 15, 2022, for the period from January 15, 2023 up to and including April 14, 2023, and iii) the 3,332 shares of Series C Preferred Stock awarded to the Company's board of directors on March 7, 2023, for the period from March 7, 2023 up to and including April 14, 2023.

On July 17, 2023, pursuant to a dividend declared on June 28, 2023, the Company paid a quarterly dividend of $20 per share, or $307 in the aggregate on the Company's then outstanding 15,314 Series C Preferred Stock, to Series C Preferred Stockholders of record date July 14, 2023, for the period from April 15, 2023 up to and including July 14, 2023.

On October 16, 2023, pursuant to a dividend declared on September 25, 2023, the Company paid a dividend of $20 per share, or $306 in the aggregate on the Company's then outstanding 15,314 Series C Preferred Stock, to Series C Preferred Stockholders of record date October 13, 2023, for the period from July 15, 2023 up to and including October 14, 2023.

For the year ended December 31, 2022, dividends declared and paid on Series C Preferred Stock at $20.0 per share amounted to $950 and $780, respectively.

(iii) Series D Preferred Stock

The Series D Preferred Stock, with liquidation preference $1,000 per share, has no voting rights except (1) in respect of amendments to the articles of incorporation which would adversely alter the preferences, powers or rights of the Series D Preferred Stock or (2) in the event that the Company proposes to issue any parity stock if the cumulative dividends payable on outstanding Series D Preferred Stock are in arrears or any senior stock. Also, holders of Series D Preferred Stock, rank equal to Series C Preferred Stock, prior to (i) the holders of common shares, (ii) if issued, any Series A Participating Preferred Stock, and any Series B Preferred Stock and (iii) any other class or series of capital stock established after their original issuance date (September 21, 2022) with respect to dividends, distributions and payments upon liquidation. The Series D Preferred Stock has a cumulative preferred dividend accruing from the date of original issuance (i.e. September 21, 2022) which is payable on the 15th day of January, April, July and October of each year at the dividend rate of 7.0% per annum, and is convertible into common shares at the holders' option at any time after the original issuance date, at a conversion price equal to the 10-trading day trailing VWAP of the common shares. The Series D Preferred Stock is also optionally redeemable at the holder's option in case of fundamental change or in case of certain corporate events as defined in the statement of designation of the Series D Preferred Stock. Holders of the Series D Preferred Stock, however, are prohibited from converting the Series D Preferred Stock into common shares to the extent that, as a result of such conversion, holders (together with their affiliates) would beneficially own more than 49% of the total outstanding common shares of the Company.

Issuances of Series D Preferred Stock to DSI and DSI special stock dividends:

As discussed under Note 3(c) above, as partial consideration for the acquisitions of the M/V Baltimore and the M/V Melia, the Company issued on September 21, 2022 and on February 8, 2023, 25,000 and 13,157 shares of Series D Preferred Stock, respectively, with par value $0.01 per share, at a stated value of $1,000 per share with liquidation preference at $1,000 (i.e., $25,000 and $13,157 aggregate liquidation preference, respectively). The 25,000 and 13,157 Series D Preferred Stock issued have been recorded at inception at a fair value of $17,600 and $10,000 determined based on valuations obtained by an independent third party for the purposes of each acquisition (Note 3(c)). DSI declared two separate special stock dividends of the M/V Baltimore and the M/V Melia Series D Preferred Stock issued to it as part of these transactions, to all of its common stockholders as of certain record dates (the "Baltimore Stock Dividend" and the "Melia Stock Dividend", respectively, and, together, the "Special Stock Dividends"), through offering to convert the shares of the Company's Series D Preferred Stock into the Company's shares of common stock on the Baltimore Stock Dividend and the Melia Stock Dividend payment dates and distributing the Company's shares of common stock to each of its common stockholders. DSI common stockholders, in their sole discretion, were given the opportunity to opt out, in whole but not in part, of the conversion of the shares of Series D Preferred Stock into the Company's shares of common stock and instead receive shares of Series D Preferred Stock in connection with the Special Stock Dividends. On December 15, 2022, and June 9, 2023, in connection with the Special Stock Dividends, 15,828 and 8,590, respectively, of the Company's Series D Preferred Stock were redeemed through the issuance of 360,055 and 1,977,106, respectively, of the Company's shares of common stock, whereas 9,172 and 4,567 shares of the Company's Series D Preferred Stock, respectively, were distributed to DSI stockholders. Because the value the holders received upon conversion was not based on the price of the common shares and the Series D Preferred Stock settled by providing the holders with a variable number of common shares with an aggregate fair value that equaled the stock instrument's liquidation preference, the Company assessed that, for accounting purposes, such separate transactions should be considered as redemptions of the Series D Preferred Stock, rather than conversions. The redemption rate which was utilized in connection with each of the two distributions of the Series D Preferred Stock was based on the 10-day trailing VWAP of the Company's common stock at each election deadline date (i.e., December 13, 2022 and May 25, 2023, respectively) in accordance with the Series D Preferred Stock statement of designations. The Company's valuations determined that the redemptions on December 15, 2022 and on June 9, 2023, of 15,828 and 8,590 Series D Preferred Stock for the issuance of 360,055 and 1,977,106, respectively, of the Company's shares of common stock, resulted in an excess value of the shares of common stock of $134 and $154, respectively, or $0.0372 and $0.0779 per share of common stock, respectively as compared to the fair value of the Series D Preferred Stock redeemed, that was transferred from the Series D Preferred Stock holders to the common holders on each measurement date (i.e. December 15, 2022 and June 9, 2023, respectively), and that this value represented a deemed dividend to the common holders, that should be deducted from the net loss to arrive at the net loss available to common stockholders (Note 8). The fair value of the common shares issued on each measurement date (i.e., December 15, 2022, and June 9, 2023, respectively) of $11,277 and $6,683, respectively, was determined through Level 1 inputs of the fair value hierarchy (quoted market price on the date of the redemption of the Series D Preferred Stock for issuance of common stock).

DSI's stockholders electing to receive shares of the Company's Series D Preferred Stock by opting out of the automatic conversion, received a number of shares of Series D Preferred Stock equal to such common stockholder's pro-rata portion of all the shares of the Company's Series D Preferred Stock, rounded down to the nearest whole number. Any fractional shares of the Series D Preferred Stock that would otherwise be distributed were converted into shares of common stock of the Company at the applicable conversion rate and sold, and the net proceeds therefrom were delivered to such common stockholder. DSI's common stockholders receiving shares of common stock of the Company received the pro-rata number of shares of common stock of the Company to which they were entitled following conversion, rounded down to the nearest whole number, and any fractional shares were aggregated and sold, and the net proceeds thereof were delivered to DSI's common stockholders. All of the fractional share calculations and the payment of cash in lieu thereof were determined at the stockholder nominee level.

Other Series D Preferred Stock redemptions:

During 2023, one holder of the Company's Series D preferred stock, unaffiliated with the Company, exercised his right to redeem one share of Series D Preferred Stock to common stock, resulting in the issuance of 385 shares of common stock of the Company.

Following the conclusion of the above transactions, as of December 31, 2023 and 2022, the Company had 13,738 and 9,172 shares of Series D Preferred Stock, respectively, issued and outstanding.

The Series D Preferred Stock is not mandatorily redeemable and does not meet any other criteria under ASC 480 to be classified as liability and under the Company's assessment are classified in equity, according to the Company's accounting policy (Note 2(x)). In particular, the Company assessed that certain of the features requiring bifurcation under ASC 815 had de minimis value at inception and in each measurement date, while others were clearly and closely related to the host instrument thus no bifurcation was required.

As of December 31, 2023, the Series D Preferred Stock remained outside the scope of ASC 480, classified as permanent equity, while all features requiring bifurcation under ASC 815 had de minimis value upon reassessment as of December 31, 2023.

Dividend payments and declarations on Series D Preferred Stock:

On January 17, 2023, the Company declared and paid a quarterly dividend of $17.5 per share on its then outstanding 9,172 Series D Preferred Stock, amounting to $161, for the period from October 15, 2022, up to and including January 14, 2023.

On April 17, 2023, the Company declared and paid a quarterly dividend of $17.5 per share or $327 in the aggregate on i) the Company's previously outstanding Series D Preferred Stock (9,172 shares) for the period from January 15, 2023 up to and including April 14, 2023, and ii) the 13,157 shares of Series D Preferred Stock issued in connection with the acquisition of M/V Melia, for the period from February 8, 2023 up to and including April 14, 2023.

On July 17, 2023, pursuant to a dividend declared on June 30, 2023, the Company paid a quarterly dividend of $17.5 per share or $240 in the aggregate on the Company's outstanding then 13,739 shares of Series D Preferred Stock to Series D Preferred Stockholders of record date July 14, 2023, for the period from April 15, 2023 up to and including July 14, 2023.

On October 16, 2023, the Company declared and paid a quarterly dividend of $17.5 per share or $240 in the aggregate on the Company's then outstanding 13,739 shares of Series D Preferred Stock to Series D Preferred Stockholders of record date October 13, 2023, for the period from July 15, 2023 up to and including October 14, 2023.

For the year ended December 31, 2022, dividends declared and paid on Series D Preferred Stock, at $17.50 per share, amounted to $117 and $117, respectively, as regards the period from September 21, 2022 (original issuance date) to October 14, 2022, to Series D Preferred Stockholders of record date October 14, 2022 (i.e. 25,000).

(iv) Series E Preferred Stock

As discussed under Note 3(d) above, on March 20, 2023, the Company issued 1,200 shares of its newly designated Series E Perpetual Convertible Preferred Stock (the "Series E Preferred Stock"), par value $0.01 per share, to an affiliated entity to the Company's Chairperson for a purchase price of $35. The Series E Preferred Stock has no dividend or liquidation rights. The Series E Preferred Stock votes with the common shares of the Company, and each share of the Series E Preferred Stock entitles the holder thereof to up to 25,000 votes, on all matters submitted to a vote of the stockholders of the Company, subject up to 15% of the total number of votes entitled to be cast on matters put to stockholders of the Company. The Series E Preferred Stock is convertible, at the election of the holder, in whole or in part, into shares of the Company's common stock at a conversion price equal to the 10-trading day trailing VWAP of the Company's common stock, subject to certain adjustments, at any time after (i) the cancellation of all of the Company's Series B Preferred Stock or (ii) the transfer for all of the Company's Series B Preferred Stock (collectively a "Series B Event"). The 15% limitation discussed above shall terminate upon the occurrence of a Series B Event. The Series E Preferred Stock is transferable only to the holder's immediate family members and to affiliated persons or entities, with the Company's prior consent.

The Series E Preferred Stock is classified in equity, in accordance with the Company's accounting policy (Note 2(x)). Upon its initial assessment, the Company followed the provisions of ASC 480 "Distinguishing liabilities from equity" in order to assess the classification of the Series E Preferred Stock as well as that of their embedded features and determined that the Series E Preferred Stock should be classified as permanent equity. In particular, the Company assessed that certain of the aforementioned embedded features requiring bifurcation under ASC 815 had de minimis value at inception and in each subsequent measurement date, while other fell under the scope exceptions from derivative accounting, thus no bifurcation was required. As of December 31, 2023, the Series E Preferred Stock remained outside the scope of ASC 480, classified as permanent equity, while all features requiring bifurcation under ASC 815 had de minimis value upon reassessment as of December 31, 2023.

(v) Equity Incentive Plan

On March 23, 2022, the Company's 2021 Equity Incentive Plan was amended and restated to, among other things, permit grants of Series C Preferred Stock thereunder, in an aggregate amount of up to 10,000 shares.

On April 15, 2022, the Company's Board of Directors approved the award and grant of 1,982 shares of Series C Preferred Stock to the Company's board of directors, pursuant to the Company's amended and restated plan, for a fair value of $1,590, to vest over a service period of two years. The fair value of the Series C Preferred Stock awarded on March 23, 2022, was determined based on valuation obtained by an independent third party for the purposes of the transaction.

On March 7, 2023, the Company's Board of Directors approved the award and grant of 3,332 shares of Series C Preferred Stock to the Company's board of directors, pursuant to the Company's amended and restated plan, for a fair value of $2,679, to vest over a service period of two years. The fair value of the Series C Preferred Stock awarded on March 7, 2023, was determined based on a valuation obtained from an independent third party for the purposes of the transaction.

On April 15, 2023, 991 previously restricted shares of Series C preferred stock pursuant to the March 2022 restricted stock award were fully vested in accordance with the terms of the respective restricted stock award agreements.

The fair values of the above instruments as of their measurement dates were based on the aggregate of the present values of the future cash outflows derived from (i) the dividends payable under each equity instrument, assuming the instruments are held until the end of the vessels' useful life, and (ii) each instrument's liquidation proceeds. In determining the fair value of the 2023 and 2022 restricted stock awards, the Company applied discount factors of 12.5% and 12.7%, respectively, determined based on the Company's estimated weighted average cost of capital comprising of (i) risk-free rates of 3.4% and 1.0%, respectively (ii) representative beta of 1.3, for each fair value measurement and (iii) equity market average return of 10.4% and 10%, respectively.

The Company assessed the issuance of the Series C Preferred Stock and their features pursuant to these awards and concluded that they should be classified in permanent equity with no embedded derivative requiring bifurcation other than those that were assessed with de minimis value.

As of December 31, 2023, 4,686 shares of Series C Preferred Stock remained reserved for issuance according to the Company's amended and restated equity incentive plan. For the years ended December 31, 2023, and 2022, and for the period from inception (April 15, 2021) through December 31, 2021, compensation cost on restricted stock awards amounted to $1,893, $568 and nil, respectively, and is included in "General and administrative expenses" in the accompanying consolidated statements of comprehensive (loss)/income. As of December 31, 2023, and 2022, the total unvested Series C Preferred Stock pursuant to the above restricted stock awards was 4,323 and 1,982, respectively, whereas total unrecognized compensation cost relating to the Company's outstanding restricted stock awards was $1,808 and $1,022, respectively. As of December 31, 2023, and 2022, the average period over which the total compensation cost related to non-vested restricted stock, was expected to be recognized, was 0.73 years and 1.29 years, respectively.

8. (Loss)/Earnings per Share

All of the Company's common stock issued and outstanding (including any restricted shares issued under the Company's amended and restated equity incentive plan) have equal rights to vote and participate in dividends, subject to forfeiture provisions as set forth in the respective stock award agreements, as applicable. Furthermore, the Class A warrants are entitled to receive dividends which are not refundable, and therefore are considered participating securities for basic earnings per share calculation purposes. The Class A warrants do not participate in losses. For the year ended December 31, 2023, the Company declared and paid aggregate cash dividends on its Series C preferred stock of $991 and $1,121, respectively. With regards to the Series D preferred stock, during the year ended December 31, 2023, the Company declared and paid aggregate cash dividends of $968, which excludes any amounts accrued in prior periods, as applicable. Also, during the year ended December 31, 2023, in connection with the M/V Melia Stock Dividend and the DSI Series C preferred stock redemption, the Company recorded deemed dividends amounting to $154 and $2,549, respectively. No dividends were declared on the Company's common stock and its Class A warrants during 2023. For the year ended December 31, 2022, the Company declared and paid aggregate cash dividends to its common and Class A warrants' holders of $2,089 and $1,012, respectively. Further, in the same year, the Company declared and paid aggregate cash dividends on its Series C preferred stock of $950 and $780, respectively. With regards to the Series D preferred stock, during 2022, the Company declared and paid aggregate cash dividends of $117, which excludes any amounts accrued in prior periods, as applicable. Also, during 2022, in connection with the M/V Baltimore Stock Dividend, the Company recorded a deemed dividend amounting to $134. No dividends were declared to Company's common holders during the period from inception (April 15, 2021) through December 31, 2021. For the period from inception (April 15, 2021) through December 31, 2021, dividends on Series C Preferred Stock amounted to $69, not paid as of December 31, 2021.

For the year ended December 31, 2023, the calculation of basic loss per share does not treat the non-vested shares (considered non-participating securities) as outstanding until the time/service-based vesting restrictions have lapsed. The dilutive effect, if any, of the Company's share-based compensation arrangements (following assumed conversion of the Series C preferred stock to common under the "if converted method") and the Class A, Class B, and private placement warrants, is computed using the treasury stock method, which assumes that the "proceeds" upon exercise of these awards or warrants are used to purchase common shares at the average market price for the period. The dilutive effect, if any, from the conversion of outstanding Series C and Series D preferred stock is calculated with the "if converted" method, to the extent that such conversion would not result in beneficial ownership by the preferred stockholders of more than 49% of the total outstanding common shares of the Company, in accordance with the terms of the respective agreements governing the Series C and Series D preferred stock. The dilutive effect, if any, from the conversion of outstanding Series E Preferred Stock is calculated with the "if converted" method, to the extent the contingencies triggering such conversion are satisfied by the end of the reporting period (Note 7(iv)). Incremental shares are the number of shares assumed issued under the i) treasury stock method and the ii) "if converted" method weighted for the periods the non-vested shares, warrants and convertible preferred stock were outstanding. For the year ended December 31, 2023, the computation of diluted earnings per share reflects the potential dilution resulting from the exercise of the outstanding private placement warrants during the period using the treasury stock method which resulted in 56,688 incremental common shares. During 2023, no incremental shares were calculated from the application of the treasury stock method on i) the Class A and Class B warrants and ii) the share-based compensation arrangements (following assumed conversion of the Series C Preferred Stock to common under the "if converted" method) and the "if converted" method for the Series C and Series D preferred stock, because to do so would be anti-dilutive. In addition, for the year ended December 31, 2023, the Company has not applied the if converted method to the Series E Preferred Stock, since none of the contingencies triggering such conversion were satisfied as of December 31, 2023. Similarly, for the year ended December 31, 2022, no incremental shares were calculated from the application of the treasury stock method for i) the Class A warrants and ii) the share-based compensation arrangements (following assumed conversion of Series C Preferred Stock to common under the "if converted method") and the "if converted" method for the Series C and Series D preferred stock as the effect of such shares was anti-dilutive. For the period from inception date (April 15, 2021) through December 31, 2021, the computation of diluted earnings per share reflects the potential dilution from conversion of the outstanding Series C Preferred Stock calculated with the "if converted" method described above and resulted in 17,277 shares.

OCEANPAL INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022 and for the period from inception (April 15, 2021) through December 31, 2021
(Expressed in thousands of U.S. Dollars – except share, per share, warrants' and scrap rate data, unless otherwise stated)

Also, net (loss)/income in each year/period is adjusted by the amount of dividends declared and/or accumulated on the Series C and D preferred stock, deemed dividends on the Series C and Series D preferred stock in connection with redemptions incurred in the year/period, dividends on Class A warrants and undistributed earnings on Class A warrants, as applicable in each period, as follows:

	December 31, 2023	December 31, 2022	From April 15, 2021 through December 31, 2021
Net (loss)/income and comprehensive (loss)/income	$ (1,977)	$ (326)	$ 134
Less deemed dividend on Series C Preferred Stock upon issuance of common stock	(2,549)	-	-
Less deemed dividend on Series D Preferred Stock upon issuance of common stock	(154)	(134)	-
Less dividends on Series C Preferred Stock	(991)	(950)	(69)
Less dividends on Series D Preferred Stock	(1,036)	(252)	-
Less dividends on Class A warrants	-	(1,012)	-
Net (loss)/income and comprehensive (loss)/income attributable to common stockholders for basic (loss)/ earnings per share purposes	$ (6,707)	$ (2,674)	$ 65
Less changes in fair value of warrants' liability	(6,222)	-	-
Net (loss)/earnings and comprehensive (loss)/earnings attributable to common stockholders for diluted (loss)/earnings per share purposes	$ (12,929)	$ (2,674)	$ 65
Weighted average number of common stock, basic	3,315,519	155,655	44,101
Effect of dilutive securities	56,688	-	17,277
Weighted average number of common stock, diluted	3,372,207	155,655	61,378
(Loss)/ Earnings per share, basic	**$ (2.02)**	**$ (17.18)**	**$ 1.47**
(Loss)/ Earnings per share, diluted	**$ (3.83)**	**$ (17.18)**	**$ 1.06**

(Expressed in thousands of U.S. Dollars – except share, per share, warrants' and scrap rate data, unless otherwise stated)

9. Vessel Operating Expenses

The amounts reflected in "Vessel Operating expenses" in the accompanying consolidated statements of comprehensive (loss)/income are analyzed as follows:

Vessel Operating Expenses	December 31, 2023	December 31, 2022	From April 15, 2021 through December 31, 2021
Crew & crew related costs	$ 5,254	$ $3,770	$ 248
Repairs & maintenance, spares, stores, classification, chemicals & gases, paints, victualling	2,865	1,769	19
Lubricants	638	415	31
Insurances	781	534	39
Annual taxes and registration fees	232	151	10
Other	651	241	13
Total Vessel operating expenses	$ 10,421	$ 6,880	$ 360

10. Income Taxes

Under the laws of the countries of the companies' incorporation and / or vessels' registration, the companies are not subject to tax on international shipping income; however, they are subject to registration and tonnage taxes, which are included in "Vessel operating expenses" in the accompanying consolidated statements of comprehensive (loss)/income.

The Company is potentially subject to a four percent U.S. federal income tax on 50% of its gross income derived by its charters that begin or end in the United States. However, under Section 883 of the Internal Revenue Code of the United States (the "Code"), a corporation is exempt from U.S. federal income taxation on its U.S.-source shipping income if: (a) it is organized in a foreign country that grants an equivalent exemption from tax to corporations organized in the United States (an "equivalent exemption"); and (b) either (i) more than 50% of the value of its common stock is owned, directly or indirectly, by "qualified stockholders", which is referred to as the "50% Ownership Test" or (ii) its common stock is "primarily and regularly traded on an established securities market" in the United States or in a country that grants an "equivalent exemption", which is referred to as the "Publicly-Traded Test."

The Company and each of its subsidiaries expects it qualifies for this statutory tax exemption for the 2023 taxable year, and the Company takes this position for United States federal income tax return reporting purposes. Therefore, the Company does not expect to have any U.S. federal income tax liability in any of the year ended December 31, 2023.

(Expressed in thousands of U.S. Dollars – except share, per share, warrants' and scrap rate data, unless otherwise stated)

11. Financial Instruments and Fair Value Disclosures

Concentration of credit risk: Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist principally of cash and cash equivalents, trade accounts receivable and amounts due from related parties. The ability and willingness of each of the Company's counterparties to perform their obligations under a contract depend upon several factors that are beyond the Company's control and may include, among other things, general economic conditions, the state of the capital markets, the condition of the shipping industry and charter hire rates. The Company's credit risk with financial institutions is limited as it has temporary cash investments, consisting mostly of deposits, placed with qualified financial institutions and performs periodic evaluations of the relative credit standing of those financial institutions. The Company limits its credit risk with accounts receivable and related parties by performing ongoing credit evaluations of these counterparties' financial condition and by receiving payments of hire in advance. The Company, generally, does not require collateral for its accounts receivable and does not have any agreements to mitigate credit risk.

For the years ended December 31, 2023 and 2022 and for the period from inception (April 15, 2021) through December 31, 2021 charterers that individually accounted for 10% or more of the Company's time charter revenues were as follows:

Charterer	2023	2022	2021
A	25%	-	-
B	16%	20%	-
C	10%	-	-
D	-	14%	-
E	-	12%	-
F	-	11%	32%
G	-	-	35%
H	-	-	26%

The maximum aggregate amount of loss due to credit risk that the Company would incur if the aforementioned charterers failed completely to perform according to the terms of the relevant time charter parties, amounted to $1,640, $215 and $811 as of December 31, 2023, 2022 and 2021, respectively.

Fair value of assets and liabilities

The principal financial assets of the Company consist of cash at banks, accounts receivable trade, net, insurance claims, and amounts due from related party(ies). The principal financial liabilities of the Company consist of accounts payable, trade and other, and amounts due to related party(ies). During 2023, the Company also incurred fair value measurements with regards to the settled as of December 31, 2023 private placement warrants.

Cash and cash equivalents, accounts receivable, insurance claims, amounts due from related party/(ies) and accounts payable: The carrying values reported in the accompanying consolidated balance sheets for those financial instruments are reasonable estimates of their fair values due to their short-term maturity nature. The carrying value of these instruments is separately reflected in the accompanying consolidated balance sheets.

Warrants' liability: The private placement warrants were initially recorded at fair value on their issuance date and subsequent settlement dates with the offsetting adjustments recorded in "Change in fair value of warrants' liability" within the consolidated statements of comprehensive (loss)/income. The fair value of the private placement warrants at issuance date (i.e., February 10, 2023), and subsequent settlement dates (as set forth below), has been determined through Level 3 inputs of the fair value hierarchy (Note 7(b)).

The non-recurring fair value measurements related to the warrants' liability during 2023, were as follows:

Non-recurring fair value measurements (warrants' liability settlement dates):

- At partial settlement date as of June 8, 2023, a fair value of $286;
- At partial settlement date as of June 15, 2023, a fair value of $276;
- At partial settlement date as of June 16, 2023, a fair value of $141;
- At partial settlement date as of June 20, 2023, a fair value of $58;
- At partial settlement date as of July 10, 2023, a fair value of $33;
- At partial settlement date as of August 9, 2023, a fair value of $268; and
- At final settlement date as of September 29, 2023, a fair value of $220.

12. Subsequent Events

(a) Dividend Payments on Series C and Series D Preferred Stock

On January 16, 2024, the Company paid a cash dividend on its then outstanding Series C Preferred Stock i) issued to Diana Shipping Inc. and ii) awarded on April 15, 2022, and March 7, 2023 as part of the 2021 Equity Incentive Plan (i.e. 5,521 shares in aggregate), for the period from October 15, 2023 to January 14, 2024, inclusive, in the aggregate amount of $110.

On January 16, 2024, the Company also paid a dividend of $240 in the aggregate on the Company's then outstanding 13,738 shares of Series D Preferred Stock to Series D Preferred Stockholders of record date January 12, 2024, for the period from October 15, 2023 up to and including January 14, 2024.

(b) Redemption of Series D Preferred Stock

During the period from January 1, 2024, to April 10, 2024, holders of the Company's Series D preferred stock unaffiliated with the Company, exercised their right to redeem nine Series D Preferred Stock to common stock, resulting in the issuance of 3,376 shares of common stock of the Company.

(c) Restricted stock award and cash bonus

On February 21, 2024, the Company's Board of Directors approved the award of 3,332 shares of restricted Series C Preferred Stock to the Company's directors, pursuant to the Company's amended and restated 2021 Equity Incentive Plan, as annual bonus. The cost of these awards will be recognized in income ratably over the restricted shares vesting period which will be two years. The Board of Directors also approved an aggregate performance cash bonus of $230 to Steamship, which has been accrued for as of December 31, 2023, in the accompanying consolidated financial statements.

(d) Amendment and restatement to 2021 Equity Incentive Plan

On April 10, 2024, the Company further amended and restated its 2021 Equity Incentive Plan so that the maximum aggregate number of shares of common stock that may be delivered pursuant to awards granted under the 2021 Equity Incentive Plan, as amended and restated, is 2,000,000.

OCEANPAL INC. PREDECESSORS

INDEX TO COMBINED CARVE-OUT FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of OceanPal Inc.

Opinion on the Financial Statements

We have audited the accompanying combined carve-out balance sheet of OceanPal Inc. Predecessors ("the Predecessor Company") as of December 31, 2020, the related combined carve-out statements of comprehensive income/(loss), parent's equity and cash flows for the period from January 1, 2021 through November 29, 2021 and for the years ended December 31, 2020 and 2019, and the related notes (collectively referred to as the "combined carve-out financial statements"). In our opinion, the combined carve-out financial statements present fairly, in all material respects, the financial position of the Predecessor Company at December 31, 2020, and the results of its operations and its cash flows for the period from January 1, 2021 through November 29, 2021 and for the years ended December 31, 2020 and 2019, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Predecessor Company's management. Our responsibility is to express an opinion on the Predecessor Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Predecessor Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Predecessor Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Predecessor Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

We have served as the Predecessor Company's auditor since 2021.

Athens, Greece
April 06, 2022

OceanPal Inc. Predecessors

COMBINED CARVE-OUT BALANCE SHEET
December 31, 2020
(Expressed in U.S. Dollars)

	2020
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents (Note 2(e))	$ 39,638
Accounts receivable, trade (Note 2(f))	1,035,069
Due from a related party (Notes 3 and 5(b))	1,169,637
Inventories (Note 2(g))	181,973
Insurance claims (Note 2(h))	941,488
Prepaid expenses	869,662
Total current assets	4,237,467
FIXED ASSETS:	
Vessels, net (Note 4)	32,249,299
Total fixed assets	32,249,299
OTHER NON-CURRENT ASSETS:	
Deferred charges, net (Notes 2(m) and 4)	701,773
Total assets	$ 37,188,539
LIABILITIES AND PARENT EQUITY	
CURRENT LIABILITIES:	
Accounts payable, trade and other	133,566
Due to a related party (Note 3)	115,280
Accrued liabilities	1,637,623
Total current liabilities	1,886,469
Commitments and contingencies (Note 5)	—
PARENT EQUITY:	
Parent investment, net (Note 6)	144,274,678
Accumulated deficit	(108,972,608)
Parent equity, net	35,302,070
Total liabilities and parent equity	$ 37,188,539

The accompanying notes are an integral part of these combined carve-out financial statements.

OceanPal Inc. Predecessors

COMBINED CARVE-OUT STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)
For the period from January 1, 2021 through November 29, 2021 and
for the years ended December 31, 2020 and 2019
(Expressed in U.S. Dollars)

	From January 1, 2021 through November 29, 2021	2020	2019
REVENUES:			
Time charter revenues (Note 2(o))	$ 11,342,529	$ 9,410,671	$ 12,370,182
EXPENSES:			
Voyage expenses (Note 2(o))	418,022	977,940	1,548,501
Vessel operating expenses (Note 2(p))	6,200,109	8,497,830	5,582,563
Depreciation and amortization of deferred charges (Note 4)	2,192,911	2,151,977	2,479,432
General and administrative expenses (Note 6)	1,104,894	1,265,051	809,205
Management fees to related parties (Note 3)	683,121	756,000	728,300
Vessel impairment charges (Note 4)	—	—	3,047,978
Vessel fair value adjustment (Note 4)	—	(200,500)	—
Other loss/(income)	(9,427)	(241,668)	37,055
Operating income/(loss)	$ 752,899	$ (3,795,959)	$ (1,862,852)
Finance costs	(1,916)	—	—
Net income/(loss) and comprehensive income/(loss)	$ 750,983	$ (3,795,959)	$ (1,862,852)

The accompanying notes are an integral part of these combined carve-out financial statements.

OceanPal Inc. Predecessors

COMBINED CARVE-OUT STATEMENTS OF PARENT'S EQUITY
For the period from January 1, 2021 through November 29, 2021 and
for the years ended December 31, 2020 and 2019
(Expressed in U.S. Dollars)

	Parent Company Investment, net	Accumulated Deficit	Total Equity
BALANCE, January 1, 2019	$ 141,543,044	$ (103,313,797)	$ 38,229,247
Parent Distribution, net (Note 6)	(1,504,222)	—	(1,504,222)
Net loss and comprehensive loss	$ —	$ (1,862,852)	$ (1,862,852)
BALANCE, December 31, 2019	$ 140,038,822	$ (105,176,649)	$ 34,862,173
Parent Investment, net (Note 6)	4,235,856	—	4,235,856
Net loss and comprehensive loss	$ —	$ (3,795,959)	$ (3,795,959)
BALANCE, December 31, 2020	$ 144,274,678	$ (108,972,608)	$ 35,302,070
Parent Distribution, net (Note 6)	(3,196,728)	—	(3,196,728)
Net income and comprehensive income	$ —	$ 750,983	$ 750,983
BALANCE, November 29, 2021	$ 141,077,950	$ (108,221,625)	$ 32,856,325

The accompanying notes are an integral part of these combined carve-out financial statements.

OceanPal Inc. Predecessors

COMBINED CARVE-OUT STATEMENTS OF CASH FLOWS
For the period from January 1, 2021 through November 29, 2021 and
for the years ended December 31, 2020 and 2019
(Expressed in U.S. Dollars)

	From January 1, 2021 through November 29, 2021	2020	2019
Cash Flows from Operating Activities:			
Net income/(loss)	$ 750,983	$ (3,795,959)	$ (1,862,852)
Adjustments to reconcile net income/(loss) to net cash from operating activities:			
Depreciation and amortization of deferred charges	2,192,911	2,151,977	2,479,432
Asset impairment charge (Note 4)	—	—	3,047,978
Vessel fair value adjustment (Note 4)	—	(200,500)	—
(Increase) / Decrease in:			
Accounts receivable, trade	169,243	(725,324)	(302,696)
Due from related parties	(14,418)	(1,167,746)	(1,891)
Inventories	(26,611)	(13,199)	392,255
Insurance claims	941,488	1,145,969	(2,078,347)
Prepaid expenses	191,097	(155,786)	(403,488)
Increase / (Decrease) in:			
Accounts payable, trade and other	87,213	(47,062)	(160,921)
Due to related parties	(115,280)	(122,741)	220,261
Accrued liabilities	(1,125,141)	1,189,260	202,046
Deferred revenue	135,080	(155,877)	(90,092)
Drydock costs	(5,535)	(826,180)	(2,234)
Net cash provided by / (used in) Operating Activities	$ 3,181,030	$ (2,723,168)	$ 1,439,451
Cash Flows from Investing Activities:			
Payments for vessel improvements (Note 4)	(23,850)	(1,474,965)	—
Net cash used in Investing Activities	$ (23,850)	$ (1,474,965)	$ —
Cash Flows from Financing Activities:			
Parent investment/(distribution), net	(3,196,728)	4,235,856	(1,504,222)
Net cash provided by/ (used in) Financing Activities	$ (3,196,728)	$ 4,235,856	$ (1,504,222)
Net increase/(decrease) in cash and cash equivalents	(39,548)	37,723	(64,771)
Cash and cash equivalents at beginning of the period	39,638	1,915	66,686
Cash and cash equivalents at end of the period	$ 90	$ 39,638	$ 1,915

The accompanying notes are an integral part of these combined carve-out financial statements.

OceanPal Inc. Predecessors

Notes to combined carve-out financial statements
November 29, 2021
(Expressed in U.S. Dollars — unless otherwise stated)

1. Basis of Presentation and General Information

OceanPal Inc., (the "Company", or "OceanPal"), was incorporated by Diana Shipping Inc. (or "DSI" or "Parent"), as a wholly owned subsidiary, on April 15, 2021 under the laws of the Republic of the Marshall Islands, having an authorized share capital of 500 shares, par value $0.01 per share, issued to the Parent. The Company was formed to serve as the holding company of the following three of the Parent's vessel-owning subsidiaries (the "Subsidiaries", or "OceanPal Inc. Predecessors"):

- Cypres Enterprises Corp., a company incorporated in the Republic of Panama on September 7, 2000, owner of the 2004 built Panamax dry bulk carrier Protefs,
- Darien Compania Armadora S.A., a company incorporated in the Republic of Panama on December 22, 1993, owner of the 2005 built Panamax dry bulk carrier Calipso and
- Marfort Navigation Company Limited, a company incorporated in the Republic of Cyprus on August 10, 2007, owner of the 2005 built Capesize dry bulk carrier Salt Lake City;

As of November 29, 2021, the Parent contributed the Subsidiaries to OceanPal and, as the sole shareholder of the Company, distributed the Company's common shares to its shareholders on a pro rata basis upon consummation of a spin-off transaction (Note 9 (a)).

The accompanying predecessor combined carve-out financial statements are those of the Subsidiaries for the period presented using the historical carrying costs of the assets and the liabilities of the ship-owning companies above from the dates of their incorporation.

The Company is a global provider of shipping transportation services, specializing in the ownership of vessels. Each of our vessels is owned through a separate wholly-owned subsidiary.

In 2020, the outbreak of the COVID-19 virus had a negative effect on the global economy and has adversely impacted the international dry-bulk shipping industry in which the OceanPal Inc. Predecessors operated. The impact of the outbreak of COVID-19 virus resulted in low time charter rates throughout the year, decreased revenues and increased crew and dry-docking costs. For 2021, there were signs of improvement in the dry-bulk market and overall operations, though the impact of the outbreak of COVID-19 is still present. As the situation continues to evolve, it is difficult to predict the long-term impact of the pandemic on the industry. As a result, many of the estimates and assumptions, mainly future revenues for unfixed days, carry a higher degree of variability and volatility. The Company is constantly monitoring the developing situation, as well as charterers' response to the severe market disruption and is taking necessary precautions to address and mitigate, to the extent possible, the impact of COVID-19 to the Company.

2. Significant Policies

a) Basis of presentation: The accompanying combined carve-out financial statements include the accounts of the legal entities comprising OceanPal Inc. Predecessors as discussed in Note 1. OceanPal Inc. Predecessors have historically operated as part of the Parent and not as a standalone company. Financial statements representing the historical operations of Parent's business have been derived from Parent's historical accounting records and are presented on a carve-out basis. All revenues, costs, assets and liabilities directly associated with the business activity of OceanPal Inc. Predecessors are included in the combined carve-out financial statements. The combined financial statements are prepared in conformity with the U.S. generally accepted accounting principles and reflect the financial position, results of operations and comprehensive income/(loss) and cash flows associated with the business activity of the OceanPal Inc. Predecessors as they were historically managed.

OceanPal Inc. Predecessors

Notes to combined carve-out financial statements
November 29, 2021
(Expressed in U.S. Dollars — unless otherwise stated)

The combined carve-out statements of operations also reflect intercompany expense allocations made to OceanPal Inc. Predecessors by DSI of certain general and administrative expenses from Parent (Note 6). However, amounts recognized by OceanPal Inc. Predecessors are not necessarily representative of the amounts that would have been reflected in the financial statements had the OceanPal Inc. Predecessors operated independently of Parent as the OceanPal Inc. Predecessors would have had additional administrative expenses, including legal, professional, treasury and regulatory compliance and other costs normally incurred by a listed public entity. Management has estimated these additional administrative expenses to be $1,104,894, $1,265,051 and $809,205, respectively, for the period from January 1, 2021, to November 29, 2021, and for the years ended December 31, 2020 and 2019, respectively. Both the OceanPal Inc. Predecessors and DSI consider the basis on which the expenses have been allocated to be a reasonable reflection of the utilization of services provided to or the benefit received by the Predecessors during the periods presented. The allocations may not, however, reflect the expense the OceanPal Inc. Predecessors have incurred as an independent, publicly traded company for the periods presented.

OceanPal Inc. Predecessors have no common capital structure for the combined business and, accordingly, has not presented historical earnings per share.

b) Use of Estimates: The preparation of combined carve-out financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined carve-out financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

c) Other Comprehensive Income / (Loss): OceanPal Inc. Predecessors have no other comprehensive income / (loss) and accordingly comprehensive income / (loss) equals net income / (loss) for all periods presented.

d) Foreign Currency: The functional currency of OceanPal Inc. Predecessors is the U.S. dollar because the OceanPal Inc. Predecessors vessels operate in international shipping markets, and therefore primarily transact business in U.S. dollars. OceanPal Inc. Predecessors' accounting records are maintained in U.S. dollars. Transactions involving other currencies during the year are converted into U.S. dollars using the exchange rates in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities which are denominated in other currencies are translated into U.S. dollars at the year-end exchange rates. Resulting gains or losses are included in "Other income/(loss)" in the accompanying combined carve-out statements of operations and comprehensive income/(loss).

e) Cash and Cash Equivalents: OceanPal Inc. Predecessors consider time deposits, certificates of deposit and their equivalents with an original maturity of up to about three months to be cash equivalents.

f) Accounts Receivable, Trade: The amount shown as accounts receivable, trade, at each balance sheet date, includes receivables from charterers for hire from lease agreements, net of allowance for credit loss, if any. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. Operating lease receivables under ASC 842 are not in scope of ASC 326 for assessment of credit loss, however OceanPal Inc. Predecessors assess their accounts receivable, trade and their credit risk relating to their charterers. No provision for doubtful accounts receivable has been recorded in the accompanying statements of comprehensive income/ (loss) during the period from January 1, 2021 through November 29, 2021, and the years ended December 31, 2020 and 2019.

g) Inventories: Inventories consist of lubricants which are stated, on a consistent basis, at the lower of cost or net realizable value. Cost is determined by the first in, first out method. Amounts removed from inventory are also determined by the first in first out method. Inventories may also consist of bunkers when on the balance sheet date a vessel is without employment. Bunkers, if any, are also stated at the lower of cost or net realizable value and cost is determined by the first in, first out method.

h) Insurance claims. Claims receivable are recorded on accrual basis, net of deductibles, through each balance sheet date, for which recovery from insurance companies is probable and the claim is not subject to litigation.

i) Vessel, net: Vessels are stated at cost which consists of the contract price and any material expenses incurred upon acquisition or during construction. Expenditures for conversions and improvements are also capitalized when they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels; otherwise these amounts are charged to expense as incurred. As at balance sheet date, vessels are stated at cost less accumulated depreciation expense and impairment charge, if any.

j) Vessels held for sale: OceanPal Inc. Predecessors classify assets as being held for sale when the respective criteria are met. Long-lived assets or disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less cost to sell. These assets are not depreciated once they meet the criteria to be held for sale. The fair value less cost to sell of an asset held for sale is assessed at each reporting period it remains classified as held for sale. When the plan to sell an asset changes, the asset is reclassified as held and used, measured at the lower of its carrying amount before it was recorded as held for sale, adjusted for depreciation, and the asset's fair value at the date of the decision not to sell.

k) Impairment of Long-Lived Assets: Long-lived assets are reviewed for impairment whenever events or changes in circumstances (such as market conditions, obsolesce or damage to the asset, potential sales and other business plans) indicate that the carrying amount plus unamortized dry-docking costs of an asset may not be recoverable. When the estimate of undiscounted projected net operating cash flows, excluding interest charges, expected to be generated by the use of an asset over its remaining useful life and its eventual disposition is less than its carrying amount plus unamortized dry-docking costs, OceanPal Inc. Predecessors evaluate the asset for impairment loss. Measurement of impairment loss is based on the fair value of the asset, determined mainly by third party valuations.

OceanPal Inc. Predecessors undiscounted projected net operating cash flows by considering the historical and estimated vessels' performance and utilization with the significant assumption being future charter rates for the unfixed days, using the most recent 10 year average of historical 1 year time charter rates available for each type of vessel over the remaining estimated life of each vessel, net of commissions. In 2019, the 1 year time charter rates did not include the rate for 2010, as it had been previously considered by Parent well above the average. Other than that, historical ten-year blended average one-year time charter rates are in line with the OceanPal Inc. Predecessors' overall chartering strategy, they reflect the full operating history of vessels of the same type and particulars with the OceanPal Inc. Predecessors' operating fleet and they cover at least a full business cycle, where applicable. Other assumptions used in developing estimates of future undiscounted cash flow are charter rates calculated for the fixed days using the fixed charter rate of each vessel from existing time charters, the expected outflows for scheduled vessels' maintenance; vessel operating expenses; fleet utilization, and the vessels' residual value if sold for scrap. Assumptions are in line with the OceanPal Inc. Predecessors' historical performance and expectations for future fleet utilization under their current fleet deployment strategy. This calculation is then compared with the vessels' net book value plus unamortized dry-docking costs. The difference between the carrying amount of the vessel plus unamortized dry-docking costs and its fair value is recognized in the OceanPal Inc. Predecessors' accounts as impairment loss. No impairment loss was identified or recorded in 2019, in 2020 and in the period from January 1, 2021, to November 29, 2021 due to this exercise. However, an impairment charge amounting to $3,047,978 recorded in 2019 for vessel Calipso, which was classified as held for sale (Note 4).

l) Vessel Depreciation: Depreciation is computed using the straight-line method over the estimated useful life of the vessels, after considering the estimated salvage (scrap) value. Each vessel's salvage value is equal to the product of its lightweight tonnage and estimated scrap rate. Management estimates the useful life of the OceanPal Inc. Predecessors' vessels to be 25 years from the date of initial delivery from the shipyard. Second hand vessels are depreciated from the date of their acquisition through their remaining estimated useful life. When regulations place limitations over the ability of a vessel to trade on a worldwide basis, its remaining useful life is adjusted at the date such regulations are adopted.

m) Accounting for Dry-Docking Costs: OceanPal Inc. Predecessors follow the deferral method of accounting for dry-docking costs whereby actual costs incurred are deferred and are amortized on a straight-line basis over the period through the date the next dry-docking is scheduled to become due. Unamortized dry-docking costs of vessels that are sold or impaired are written off and included in the calculation of the resulting gain or loss in the year of the vessel's sale or impairment (Note 4).

OceanPal Inc. Predecessors

Notes to combined carve-out financial statements
November 29, 2021
(Expressed in U.S. Dollars — unless otherwise stated)

n) Concentration of Credit Risk: Financial instruments, which potentially subject OceanPal Inc. Predecessors to significant concentrations of credit risk, consist principally of cash and trade accounts receivable. OceanPal Inc. Predecessors place temporary cash investments, consisting mostly of deposits, with various qualified financial institutions and performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the OceanPal Inc. Predecessors' investment strategy. OceanPal Inc. Predecessors limit their credit risk with accounts receivable by performing ongoing credit evaluations of its customers' financial condition and generally do not require collateral for accounts receivable and do not have any agreements to mitigate credit risk.

o) Accounting for Revenues and Expenses: Revenues are generated from time charter agreements which contain a lease as they meet the criteria of a lease under ASC 842. Agreements with the same charterer are accounted for as separate agreements according to their specific terms and conditions. All agreements contain a minimum non-cancellable period and an extension period at the option of the charterer. Each lease term is assessed at the inception of that lease. Under a time charter agreement, the charterer pays a daily hire for the use of the vessel and reimburses the owner for hold cleanings, extra insurance premiums for navigating in restricted areas and damages caused by the charterers. Additionally, the charterer pays to third parties port, canal and bunkers consumed during the term of the time charter agreement. Such costs are considered direct costs and are not recorded as they are directly paid by charterers, unless they are for the account of the owner, in which case they are included in voyage expenses. OceanPal Inc. Predecessors incur voyage expenses that mainly include commissions because all of vessels are employed under time charters that require the charterer to bear voyage expenses such as bunkers (fuel oil), port and canal charges. When a vessel is delivered to a charterer, bunkers are purchased by the charterer and sold back to OceanPal Inc. Predecessors on the redelivery of the vessel. Bunker gain, or loss, result when a vessel is redelivered by her charterer and delivered to the next charterer at different bunker prices, or quantities. For the period From January 1, 2021, to November 29, 2021, and for the years ended December 31, 2020 and 2019, respectively, the OceanPal Inc. Predecessors incurred gain on bunkers amounting to $330,454, and loss on bunkers amounting to $287,352 and $229,481, respectively, resulting mainly from the difference in the value of bunkers paid by OceanPal Inc. Predecessors when the vessel is redelivered to OceanPal Inc. Predecessors from the charterer under the vessel's previous time charter agreement and the value of bunkers sold by OceanPal Inc. Predecessors when the vessel is delivered to a new charterer. This gain/loss is included in "Voyage expenses" in the accompanying combined carve-out statements of comprehensive income / (loss). Additionally, the owner pays commissions on the hire revenue, to both the charterer and to brokers, which are direct costs and are recorded in voyage expenses. Under a time charter agreement, the owner pays for the operation and the maintenance of the vessel, including crew, insurance, spares and repairs, which are recognized in operating expenses. Revenues from time charter agreements providing for varying annual rates are accounted for as operating leases and thus recognized on a straight-line basis over the non-cancellable rental periods of such agreements, as service is performed. Deferred revenue includes cash received prior to the balance sheet date for which all criteria to recognize as revenue have not been met. OceanPal Inc. Predecessors, as lessors, have elected not to allocate the consideration in the agreement to the separate lease and non-lease components (operation and maintenance of the vessel) as their timing and pattern of transfer to the charterer, as the lessee, are the same and the lease component, if accounted for separately, would be classified as an operating lease. Additionally, the lease component is considered the predominant component as OceanPal Inc. Predecessors have assessed that more value is ascribed to the vessel rather than to the services provided under the time charter contracts.

p) Repairs and Maintenance: All repair and maintenance expenses including underwater inspection expenses are expensed in the year incurred. Such costs are included in vessel operating expenses in the accompanying combined carve-out statements of operations and comprehensive income/(loss).

q) Segmental Reporting: OceanPal Inc. Predecessors engage in the operation of dry-bulk vessels which has been identified as one reportable segment. The operation of the vessels is the main source of revenue generation, the services provided by the vessels are similar and they all operate under the same economic environment. Additionally, the vessels do not operate in specific geographic areas, as they trade worldwide; they do not trade in specific trade routes, as their trading (route and cargo) is dictated by the charterers; and OceanPal Inc. Predecessors do not evaluate the operating results for each type of dry bulk vessels (Panamax or Capesize) for the purpose of making decisions about allocating resources and assessing performance.

OceanPal Inc. Predecessors

Notes to combined carve-out financial statements
November 29, 2021
(Expressed in U.S. Dollars — unless otherwise stated)

r) Fair Value Measurements: OceanPal Inc. Predecessors classify and discloses their assets and liabilities carried at fair value in one of the following categories: Level 1: Quoted market prices in active markets for identical assets or liabilities; Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data; Level 3: Unobservable inputs that are not corroborated by market data.

s) Going concern: Management evaluates, at each reporting period, whether there are conditions or events that raise substantial doubt about OceanPal Inc. Predecessors' ability to continue as a going concern within one year from the date the combined carve-out financial statements are issued.

t) Financial Instruments, credit losses: At each reporting date, OceanPal Inc. Predecessors evaluate financial assets for credit losses and presents such assets in the net amount expected to be collected on such financial asset. When financial assets present similar risk characteristics, these are evaluated on a collective basis. When developing an estimate of expected credit losses OceanPal Inc. Predecessors consider available information relevant to assessing the collectability of cash flows such as internal information, past events, current conditions and reasonable and supportable forecasts. No allowance for credit loss has been recorded in the accompanying statements of comprehensive income/(loss) during the period from January 1, 2021 through November 29, 2021, and the years ended December 31, 2020 and 2019.

Recent Accounting Pronouncements — Not yet adopted

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform. ASU 2020-04 applies to contracts that reference LIBOR or another reference rate expected to be terminated because of reference rate reform. The amendments in this Update are effective for all entities as of March 12, 2020 through December 31, 2022. An entity may elect to apply the amendments for contract modifications by Topic or Industry Subtopic as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, or prospectively from a date within an interim period that includes or is subsequent to March 12, 2020, up to the date that the financial statements are available to be issued. Once elected for a Topic or an Industry Subtopic, the amendments in this Update must be applied prospectively for all eligible contract modifications for that Topic or Industry Subtopic. An entity may elect to apply the amendments in this Update to eligible hedging relationships existing as of the beginning of the interim period that includes March 12, 2020 and to new eligible hedging relationships entered into after the beginning of the interim period that includes March 12, 2020. An entity may elect certain optional expedients for hedging relationships that exist as of December 31, 2022 and maintain those optional expedients through the end of the hedging relationship. ASU 2020-04 can be adopted as of March 12, 2020. OceanPal Inc. Predecessors have assessed the impact of this new accounting guidance and the adoption of this ASU is not expected to have a material impact on the combined carve-out financial statements and related disclosures.

In July 2021, the FASB issued ASU No. 2021-05 Leases (Topic 842): Lessors-Certain Leases with Variable Lease Payments. The ASU amends the lessor lease classification guidance in ASC 842 for leases that include any amount of variable lease payments that are not based on an index or rate. If such a lease meets the criteria in ASC 842-10-25-2 through 25-3 for classification as either a sales-type or direct financing lease, and application of the sales-type or direct financing lease recognition guidance would result in recognition of a selling loss, then the amendments require the lessor to classify the lease as an operating lease. For public business entities that have adopted ASC 842 as of July 19, 2021, the amendments in ASU 2021-05 are effective for fiscal years beginning after December 15, 2021 and for interim periods within those fiscal years. The impact of this new accounting guidance and the adoption of this ASU has been assessed and it is expected that it does not have a material impact on the OceanPal Inc. Predecessors' combined carve-out financial statements and related disclosures.

OceanPal Inc. Predecessors

Notes to combined carve-out financial statements
November 29, 2021
(Expressed in U.S. Dollars — unless otherwise stated)

3. Transactions with Related Parties

a) Diana Wilhelmsen Management Limited, or DWM: DWM is a joint venture established by Diana Ship Management Inc., a wholly owned subsidiary of the Parent, and Wilhelmsen Ship Management Holding Limited, an unaffiliated third party, each holding 50% of DWM. The DWM office is located in Athens, Greece. Effective July 1, 2020 Wilhelmsen Ship Management Holding Limited, was replaced by Wilhelmsen Ship Management Holding AS, which assumed all the liabilities and obligations of the former company under the Joint venture agreement. Until October 8, 2019, DWM provided management services to the OceanPal Predecessors' fleet for a fixed monthly fee and commercial services charged as a percentage of the vessels' gross revenues pursuant to management agreements between the vessel owning companies and DWM. Management fees to DWM for 2019 amounted to $554,000 and are included in "Management fees to related parties" in the accompanying 2019 combined carve-out statement of comprehensive income/(loss). Commercial fees in 2019, amounted to $192,550, and are included in "Voyage expenses". As at December 31, 2020 there was an amount of $1,169,637 due from DWM mainly related to Protefs' environmental incident (Note 5), included in "Due from a related party" in the accompanying combined carve-out balance sheet. Since October 9, 2019 and up to May 24, 2021, DWM provided technical management services to the vessels through Diana Shipping Services S.A. (Note 3(b)) and since May 24, 2021 directly. For the provision of management services, the vessels pay monthly fees which for the period from May 24, 2021 until November 29, 2021 amounted to $373,484 and are included in "Management fees to related parties" in the accompanying combined carve-out statements of operations and comprehensive income/(loss). In addition, the vessels pay a commercial fee, which is a percentage of the daily hire, and which for the period from May 24, 2021 to November 29, 2021 amounted to $80,896 and is included in "Voyage expenses" in the accompanying combined carve-out statement of comprehensive income/(loss).

b) Diana Shipping Services S.A., or DSS: From October 8, 2019 until May 24, 2021, the fleet vessels were managed by DSS, a wholly owned subsidiary of the Parent, for a fixed monthly fee and a commission on the vessels' gross revenues. DSS was outsourcing the management of the vessels to DWM from October 8, 2019 until May 24, 2021 and since May 24, 2021, provides insurance services to the vessels for a fixed monthly fee of $500. During the period from January 1, 2021 to May 24, 2021, during 2020, and during the period from October 9, 2019 to December 31, 2019, respectively, management fees to DSS amounted to $300,300, $756,000 and $174,300, respectively and are included in "Management fees to related parties" in the accompanying combined carve-out statements of operations and comprehensive income/(loss). During the period from May 24, 2021 to November 29, 2021, insurance service fees to DSS amounted to $9,337 and are included in "Management fees to related parties" in the accompanying combined carve-out statements of operations and comprehensive income/(loss). Similarly, commissions charged by DSS for the period from January 1, 2021 to May 24, 2021, for 2020 and from October 9, 2019 to December 31, 2019, respectively amounted to $94,672, 186,223 and $63,721, respectively and are included in "Voyage expenses" in the accompanying combined carve-out statements of operations and comprehensive income/(loss). As at December 31, 2020, there was an amount of $115,280 respectively, due to DSS, separately presented in "Due to a related party" in the accompanying combined carve-out balance sheet.

4. Vessels

On December 24, 2019, Darien Compania Armadora S.A. entered into a Memorandum of Agreement to sell to an unaffiliated third party the vessel Calipso, for a sale price of $7,275,000 before commissions. On December 31, 2019, the vessel was measured at the lower of its carrying amount or fair value less costs to sell and was classified in current assets as Vessel held for sale, according to the provisions of ASC 360, as all criteria required for this classification were then met.

The classification of Calipso as held for sale on December 31, 2019 resulted in impairment of $3,047,978 including the write off of the unamortized drydocking costs as the vessel was measured at the lower of its carrying value and fair value (sale price) less costs to sell and is separately presented in "Vessel impairment charges" in the accompanying 2019 combined carve-out statement of comprehensive income / (loss).

(Expressed in U.S. Dollars — unless otherwise stated)

In February 2020, the buyers of Calipso elected to exercise their right to cancel the contract as a result of the vessel's missing the cancelling date due to unforeseen events, unrelated to the condition of the vessel. Following this cancelation of the memorandum of agreement, on March 8, 2020, the vessel was withdrawn from the market as per management's decision and was recorded at its fair value at that date, amounting to $7.33 million, as held and used, according to the provisions of ASC 360. The vessel's fair value was determined through Level 2 inputs of the fair value hierarchy by taking into consideration a third party valuation which was based on the last done deals of sale of vessels with similar characteristics, such as type, size and age. The valuation of the vessel at fair value resulted in a gain of $200,500 separately presented in "Vessel fair value adjustment" in the 2020 accompanying combined carve-out statement of comprehensive income / (loss).

The amounts reflected in Vessels, net in the accompanying combined carve-out balance sheet as of December 31, 2020 are analyzed as follows:

	Accumulated Vessel Cost	Depreciation	Net Book Value
Balance, December 31, 2019	$ 38,600,196	$ (13,139,306)	$ 25,460,890
– Additions for improvements	1,474,965	—	1,474,965
– Vessel fair value adjustment	200,500	—	200,500
– Vessel transferred from held for sale	7,129,500	—	7,129,500
– Depreciation for the period	—	(2,016,556)	(2,016,556)
Balance, December 31, 2020	$ 47,405,161	$ (15,155,862)	$ 32,249,299

Vessels' depreciation expense for the period from January 1, 2021 through November 29, 2021, and for the years ended December 31, 2020 and 2019, amounted to $1.97 million, $2.02 million, and $2.27 million, respectively, and is included in "Depreciation and amortization of deferred charges" in the accompanying combined carve-out statements of operations and comprehensive income/(loss).

5. Commitments and Contingencies

a) Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Subsidiaries' vessels. OceanPal Inc. Predecessors accrue for the cost of environmental and other liabilities when management becomes aware that a liability is probable and is able to reasonably estimate the probable exposure. Subsidiaries' vessels are covered for pollution in the amount of $1 billion per vessel per incident, by the P&I Association in which the Subsidiaries' vessels are entered.

b) On July 9, 2020, DWM placed a security bond in the amount of $1.75 million for any potential fines or penalties for alleged violations of law concerning maintenance of books and records and the handling of oil wastes of the vessel Protefs, as a consequence of a environmental incident involving the vessel in 2020. As this amount was paid by the ship owning company of Protefs, a portion of the security bond relating to DWM, amounting to $1 million, was included in "Due from related parties", as of December 31, 2020 in the accompanying combined carve-out balance sheet. As of December 31, 2020, vessel Protefs also recorded an accrual of about $1.0 million, as the Parent determined that Protefs could be liable for part of a fine related to this incident, as part of its management agreement with DWM and recognized an expense which is presented in "Vessel operating expenses" in the combined carve-out statements of operations and comprehensive income/(loss) for the year ended December 31, 2020, representing the OceanPal Inc. Predecessors' best estimate for the liability of Protefs in relation to this incident. In February 2021, DWM entered into a plea agreement with the United States pursuant to which DWM, as defendant, agreed to waive indictment, plead guilty pursuant to the terms thereof, accepted a fine of $2.0 million and the placement of DWM on probation for four years, subject to court approval. On September 23, 2021, in the sentencing hearing of the Protefs case, the judge accepted DWM's guilty pleas, adjudged DWM guilty and imposed the agreed upon sentence of a combined fine of $2 million, a total special assessment and a four-year term of probation. The total amount of the fine was settled during 2021 through the security bond placed by DWM on July 9, 2020, whereas the remaining balance of the fine amounting to $0.25 million was settled by the ship owning company of Protefs.

c) As at November 29, 2021, all of the vessels were fixed under time charter agreements, considered as operating leases accounted for as per ASC 842 requirements. The minimum contractual gross charter revenues expected to be generated from fixed and non-cancelable time charter contracts existing as at November 29, 2021 and until their expiration is estimated at $3.1 million.

6. Parent Investment, net

Parent investment, net consists of the amounts contributed by the Parent to finance part of the acquisition cost of the vessels, intercompany amounts due to or from the Parent which are forgiven and treated as contributions or distributions of capital and other general and administrative expenses allocated to the OceanPal Inc. Predecessors by Parent. Allocated general and administrative expenses include expenses of Parent such as executive's cost, legal, treasury, regulatory compliance and other costs. These expenses were allocated on a pro rata basis, based on the number of ownership days of the Subsidiaries' vessels compared to the number of ownership days of the total DSI fleet. Such allocations are believed to be reasonable, but may not reflect the actual costs if the OceanPal Inc. Predecessors had operated as a standalone company. For the period from January 1, 2021 through November 29, 2021, and for 2019, capital distribution amounted to $3.2 million and $1.5 million, respectively. Capital contribution during 2020 amounted to $4.2 million.

As part of Parent, OceanPal Inc. Predecessors are dependent upon Parent for all of their working capital and financing requirements, as Parent uses a centralized approach to cash management and financing of their operations. Financial transactions relating to OceanPal Inc. Predecessor are accounted for through the Parent equity account and reflected in the combined carve-out statements of Parent's equity as an increase or decrease in Parent investment. Accordingly, none of Parent's cash, cash equivalents or debt at the corporate level have been assigned to the OceanPal Inc. Predecessors in the combined carve-out financial statements. Parent equity, net represents Parent's interest in the recorded net assets of the OceanPal Inc. Predecessors. All significant intercompany accounts and transactions between the businesses comprising the OceanPal Inc. Predecessors have been eliminated in the accompanying combined carve-out financial statements.

7. Fair Value Measurements and Risk Management

The carrying values of cash, accounts receivable, due from related parties and accounts payable approximate their fair value due to the short-term nature of these financial instruments. Financial instruments, which potentially subject OceanPal Predecessors to significant concentrations of credit risk, consist principally of cash and trade accounts receivable. The ability and willingness of each of the OceanPal Inc. Predecessors' counterparties to perform their obligations under a contract depend upon a number of factors that are beyond the OceanPal Inc. Predecessors' control and may include, among other things, general economic conditions, the state of the capital markets, the condition of the shipping industry and charter hire rates. The credit risk with financial institutions is limited as it has temporary cash investments, consisting mostly of deposits, placed with various qualified financial institutions and performs periodic evaluations of the relative credit standing of those financial institutions. The credit risk with accounts receivable is limited by performing ongoing credit evaluations of the customers' financial condition and by receiving payments of hire in advance. Generally, no collateral is required for accounts receivable whereas OceanPal Inc. Predecessors do not have any agreements to mitigate credit risk.

OceanPal Inc. Predecessors

Notes to combined carve-out financial statements
November 29, 2021
(Expressed in U.S. Dollars — unless otherwise stated)

During the period from January 1, 2021, to November 29, 2021 and during 2020 and 2019, charterers that individually accounted for 10% or more of the OceanPal Inc. Predecessors time charter revenues were as follows:

Charterer	January 1, 2021 to November 29, 2021	2020	2019
C Transport Maritime LTD	38%		
Vitera Chartering	29%		
Reachy International	28%		
Cargill International S.A.		34%	33%
Phaethon International Co AG.		34%	
Uniper Global Commodities, Dusseldorf GE		22%	
Crystal Sea Shipping Co., Limited		10%	12%
Hadson Shipping Lines Inc.			30%
Glencore Agriculture BV			22%

8. Income Taxes

Under the laws of the countries of the companies' incorporation and / or vessels' registration, the companies are not subject to tax on international shipping income; however, they are subject to registration and tonnage taxes, which are included in vessel operating expenses in the accompanying combined carve-out statements of operations.

The vessel-owning companies with vessels that have called on the United States are obliged to file tax returns with the Internal Revenue Service. However, pursuant to the Internal Revenue Code of the United States, U.S. source income from the international operations of ships is generally exempt from U.S. tax. The applicable tax is 50% of 4% of U.S.-related gross transportation income unless an exemption applies. Each of the subsidiaries expects it qualifies for this statutory tax exemption for the period from January 1, 2021 to November 29, 2021, 2020 and 2019 taxable years, and they take this position for United States federal income tax return reporting purposes.

9. Subsequent Events

a) Contribution by Parent of the three ship-owning companies to OceanPal Inc.: On November 29, 2021, the spin-off transaction was materialized and the three ship-owning companies were contributed to the Company by the Parent. Following the spin-off consummation OceanPal Inc. and Diana Shipping are independent publicly traded companies with separate independent boards of directors.

b) Uncertainties caused by the Russo-Ukrainian War: The recent outbreak of war between Russia and the Ukraine has disrupted supply chains and caused instability in the global economy, while the United States and the European Union, among other countries, announced sanctions against Russia, including sanctions targeting the Russian oil sector, among those a prohibition on the import of oil from Russia to the United States. The ongoing conflict could result in the imposition of further economic sanctions against Russia and the Company's business may be adversely impacted.

Exhibit 2.4

FIRST AMENDED AND RESTATED

STATEMENT OF DESIGNATION OF THE RIGHTS, PREFERENCES AND PRIVILEGES

OF

THE 8.0% SERIES C CUMULATIVE CONVERTIBLE PERPETUAL PREFERRED SHARES OF OCEANPAL INC.

OCEANPAL INC., a Company organized and existing under the Business Corporations Act (the **"BCA")** of the Republic of the Marshall Islands (the **"Company"),** in accordance with the provisions of Section 35 thereof and the Company's Articles of Incorporation, does hereby certify that:

1. The Board of Directors of the Company (the **"Board")** previously adopted a resolution creating a series of preferred stock of the Company designated as "8.0% Series C Cumulative Convertible Perpetual Preferred Shares" (the **"Series C Preferred Shares").**

2. Pursuant to resolutions adopted by the unanimous written consent of the Board on April 15, 2022, the Statement of Designation of the Rights, Preferences and Privileges for the Series C Preferred Shares, dated November 29, 2021 (the **"Statement of Designation"),** is hereby amended and restated as follows:

Section 1. Designation. The distinctive designation of such series of Preferred Stock is "8.0% Series C Cumulative Convertible Perpetual Preferred Shares" **("Series C Preferred Shares").** Each share of Series C Preferred Shares shall be identical in all respects to every other share of Series C Preferred Shares, except as to the respective dates from which dividends may begin accruing, to the extent such dates may differ. The Series C Preferred Shares represents perpetual equity interests in the Company and shall not give rise to a claim for payment of a principal amount at a particular date.

Section 2. Shares.

(a) Number. The authorized number of shares of Series C Preferred Shares shall be 20,000, subject to increase by filing a statement of designation with respect to such additional shares. Shares of Series C Preferred Shares that are repurchased or otherwise acquired by the Company shall be cancelled and shall revert to authorized but unissued Preferred Stock, undesignated as to series.

Section 3. Dividends.

(a) Dividends. Dividends on each share of Series C Preferred Shares shall be cumulative and shall accrue at the Dividend Rate from the Original Issue Date (or, for any subsequently issued and newly outstanding stock, from the Dividend Payment Date immediately preceding the issuance date of such stock) until such time as the Company pays the dividend or redeems the stock in full in accordance with Section 6 below, whether or not such dividends shall have been declared, and whether or not there are profits, surplus, or other funds legally available for the payment of dividends.

Holders of Series C Preferred Shares shall be entitled to receive dividends from time to time out of any assets of the Company legally available for the payment of dividends at the Dividend Rate per share, when, as, and if declared by the Board of Directors. Dividends, to the extent declared to be paid by the Company in accordance with this Statement of Designation, shall be paid quarterly on each Dividend Payment Date. Dividends shall accumulate in each Dividend Period from and including the preceding Dividend Payment Date or the initial issue date, as the case may be, to but excluding the applicable next Dividend Payment Date for such Dividend Period. If any Dividend Payment Date otherwise would fall on a day that is not a Business Day, declared dividends shall be paid on the immediately succeeding Business Day without the accumulation of additional dividends. Dividends on the Series C Preferred Shares shall be payable based on a 360- day year consisting of twelve 30-day months. The Dividend Rate is not subject to adjustment.

Holders of Series C Preferred Shares shall receive preferential cumulative quarterly dividends payable in cash or, at the election of the Company, in PIK Shares, on each Dividend Payment Date, commencing on the first Dividend Payment Date after the first issuance of a Series C Preferred Share, in either a cash amount per share equal to the product of the Liquidation Preference and the Dividend Rate (the **"Dividend Amount")** or, at the election of the Company, in an amount of PIK Shares for each outstanding Series C Preferred Share equal to the Dividend Amount divided by the Original Issue Price (the **"PIK Share Amount").** The Series A Preferred Stock and the Series B Preferred Stock shall be junior to the Series C Preferred Shares with respect to all dividends.

(b) Payment and Priorities of Dividends. Not later than 5:00 p.m., New York City time, on each Dividend Payment Date, the Company shall pay those dividends, if any, on the Series C Preferred Shares that shall have been declared by the Board of Directors to the Holders of record of such shares as such Holders' names appear on the stock transfer books of the Company maintained by the Registrar and Transfer Agent on the applicable record date (the **"Record Date"),** being the Business Day immediately preceding the applicable Dividend Payment Date, except that in the case of payments of dividends in arrears, the Record Date with respect to a Dividend Payment Date shall be such date as may be designated by the Board of Directors in accordance with the Company's Bylaws and this Statement of Designation. No dividend shall be declared or paid or set apart for payment on any Junior Stock (other than a dividend payable solely in shares of Junior Stock) unless full cumulative dividends have been or contemporaneously are being paid or provided for on all outstanding Series C Preferred Shares and any Parity Stock for all prior and the then-ending Dividend Periods.

In the event that full cumulative dividends on the Series C Preferred Shares and any Parity Stock shall not have been paid or declared and set apart for payment, the Company shall not be permitted to repurchase, redeem or otherwise acquire, in whole or in part, any Series C Preferred Shares or Parity Stock except pursuant to a purchase or exchange offer made on the same terms to all holders of Series C Preferred Shares and any Parity Stock.

The Company shall not be permitted to redeem, repurchase or otherwise acquire any Common Stock or any other Junior Stock unless full cumulative dividends on the Series C Preferred Shares and any Parity Stock for all prior and the then-ending Dividend Periods shall have been paid or declared and set apart for payment.

Accumulated dividends in arrears for any past Dividend Period may be declared by the Board of Directors and paid on any date fixed by the Board of Directors, whether or not a Dividend Payment Date, to Holders of the Series C Preferred Shares on the record date for such payment, which may not be more than 60 days, nor less than 5 days, before such payment date. Subject to the next succeeding sentence, if all accumulated dividends in arrears on all outstanding Series C Preferred Shares and any Parity Stock shall not have been declared and paid, or if sufficient funds for the payment thereof shall not have been set apart, payment of accumulated dividends in arrears on the Series C Preferred Shares and any such Parity Stock shall be made in order of their respective Dividend Payment Dates, commencing with the earliest. If less than all dividends payable with respect to all Series C Preferred Shares and any Parity Stock are paid, any partial payment shall be made pro rata with respect to the Series C Preferred Shares and any Parity Stock entitled to a dividend payment at such time in proportion to the aggregate dividend amounts remaining due in respect of such shares at such time. Holders of the Series C Preferred Shares shall not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative dividends. No interest or sum of money in lieu of interest shall be payable in respect of any dividend payment which may be in arrears on the Series C Preferred Shares. Dividends shall be paid by check mailed to the registered address of the Holder, unless, in any particular case, the Company elects to pay by wire transfer.

Section 4. Liquidation Rights.

(a) Liquidation Event. Upon the occurrence of any Liquidation Event, Holders of Series C Preferred Shares shall be entitled to receive out of the assets of the Company or proceeds thereof legally available for distribution to stockholders of the Company, (i) after satisfaction of all liabilities, if any, to creditors of the Company, (ii) after all applicable distributions of such assets or proceeds being made to or set aside for the holders of any Senior Stock then outstanding in respect of such Liquidation Event, (iii) concurrently with any applicable distributions of such assets or proceeds being made to or set aside for holders of any Parity Stock then outstanding in respect of such Liquidation Event and (iv) before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other classes or series of Junior Stock as to such distribution, a liquidating distribution or payment in full redemption of such Series C Preferred Shares in an amount initially equal to $1,000.00 per share in cash, plus an amount equal to accumulated and unpaid dividends thereon to the date fixed for payment of such amount (whether or not declared) (the **"Liquidation Preference").** For purposes of clarity, upon the occurrence of any Liquidation Event, (x) the holders of then outstanding Senior Stock shall be entitled to receive the applicable liquidation preference on such Senior Stock before any distribution shall be made to the Holders of the Series C Preferred Shares or any Parity Stock and (y) the Holders of outstanding Series C Preferred Shares shall be entitled to the Liquidation Preference per share in cash concurrently with any distribution made to the holders of Parity Stock and before any distribution shall be made to the holders of Common Stock or any other Junior Stock. Holders of Series C Preferred Shares shall not be entitled to any other amounts from the Company, in their capacity as Holders of such stock, after they have received the Liquidation Preference. The payment of the Liquidation Preference shall be a payment in redemption of the Series C Preferred Shares such that, from and after payment of the full Liquidation Preference, any such Series C Preferred Shares shall thereafter be cancelled and no longer be outstanding.

(b) Partial Payment. In the event that the distribution or payment described in Section 4(a) above where the Company's assets available for distribution to holders of the outstanding Series C Preferred Shares and any Parity Stock are insufficient to permit payment of all required amounts, the Company's then remaining assets or proceeds thereof legally available for distribution to stockholders of the Company shall be distributed among the Series C Preferred Shares and any Parity Stock, as applicable, ratably on the basis of their relative aggregate liquidation preferences. To the extent that the Holders of Series C Preferred Shares receive a partial payment of their Liquidation Preference, such partial payment shall reduce the Liquidation Preference of their Series C Preferred Shares, but only to the extent of such amount paid.

(c) Residual Distributions. After payment of all required amounts to the Holders of the outstanding Series C Preferred Shares and any Parity Stock, the Company's remaining assets and funds shall be distributed among the holders of the Common Stock and any other Junior Stock then outstanding according to their respective rights.

Section 5. Voting Rights.

(a) General. The Series C Preferred Shares shall have no voting rights except as set forth in this Section 5 or as otherwise provided by Marshall Islands law.

(b) Other Voting Rights

(1) Unless the Company shall have received the affirmative vote or consents of the Holders of at least two-thirds of the outstanding Series C Preferred Shares, voting as a single class, the Company may not adopt any amendment to the Articles of Incorporation that adversely alters the preferences, powers or rights of the Series C Preferred Shares.

(2) Unless the Company shall have received the affirmative vote or consent of the Holders of at least two-thirds of the outstanding Series C Preferred Shares, voting as a class together with holders of any other Parity Stock upon which like voting rights have been conferred and are exercisable, the Company may not (x) issue any Parity Stock if the cumulative dividends payable on outstanding Series C Preferred Shares are in arrears or (y) create or issue any Senior Stock.

(c) *Voting Power.* For any matter described in this Section 5 in which the Holders of the Series C Preferred Shares are entitled to vote as a class, such Holders shall be entitled to one vote in respect of each $1,000.00 in liquidation preference held by them. Any Series C Preferred Shares held by the Company or any of its subsidiaries or Affiliates shall not be entitled to vote.

(d) *No Vote or Consent in Other Cases.* No vote or consent of Holders of Series C Preferred Shares shall be required for (i) the creation or incurrence of any indebtedness, (ii) the authorization or issuance of any Common Stock or other Junior Stock or (iii) except as expressly provided in paragraph (b)(2) above, the authorization or issuance of any Preferred Stock of the Company.

Section 6. Rank. The Series C Preferred Shares shall be deemed to rank with respect to dividend distributions and distributions upon a Liquidation Event:

(a) *Seniority.* Senior to (i) all classes of Common Stock, (ii) if issued, any Series A Participating Preferred Stock and any Series B Preferred Stock and (iii) any other class or series of capital stock established after the Original Issue Date, the terms of which expressly provide that it is made junior to the Series C Preferred Shares or any Parity Stock as to the payment of dividends and amounts payable upon any Liquidation Event (collectively referred to with the Company's Common Stock as **"Junior Stock");**

(b) *Parity.* Equal with any class or series of capital stock established after the Original Issue Date, the terms of which are not expressly subordinated or senior to the Series C Preferred Shares as to the payment of dividends and amounts payable upon any Liquidation Event (referred to as **"Parity Stock");** and

(c) *Junior.* Junior to any class or series of capital stock established after the Original Issue Date, the terms of which expressly provide that it ranks senior to the Series C Preferred Shares as to the payment of dividends and amounts payable upon any Liquidation Event (referred to as **"Senior Stock"),** and to all of our indebtedness and other liabilities, including trade payables.

The Company may issue additional Common Stock, additional Series C Preferred Shares and Junior Stock and, subject to Section 5(b)(2) of this Statement of Designation, Parity Stock or Senior Stock from time to time in one or more series without the consent of the holders of the Series C Preferred Shares. The Board of Directors has the authority to determine the preferences, powers, qualifications, limitations, restrictions and special or relative rights or privileges, if any, of any such Series C before the issuance of any shares of that series. The Board of Directors shall also determine the number of shares constituting each series of securities.

Section 7. Definitions. As used herein with respect to the Series C Preferred Shares:

"Affiliate" means, in regard to a specified Person, a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified. As used in this definition, *"control"* (including the terms *controlling, controlled by* and *under common control with)* means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

"Articles of Incorporation" means the amended and restated articles of incorporation of the Company, as they may be amended from time to time in a manner consistent with this Statement of Designation, and shall include this Statement of Designation

"BCA" has the meaning set forth in the introductory paragraph of this Statement of Designation

"Board of Directors" means the board of directors of the Company or, to the extent permitted by the Articles of Incorporation and the BCA, any authorized committee thereof.

"Business Day" means a day on which The New York Stock Exchange is open for trading and which is not a Saturday, a Sunday or other day on which banks in New York City are authorized or required by law to close.

"Bylaws" means the bylaws of the Company, as they may be amended from time to time.

"Common Stoel<' means the common stock of the Company, par value $0.01 per share, and any other outstanding class of common stock of the Company.

"Conversion Price" means the lesser of (i) $6.50 and (ii) the 10-Trading Day trailing VWAP of the Common Stock, subject to adjustment as contemplated in Section 10(b) hereof.

"Company" has the meaning set forth in the introductory paragraph of this Statement of Designation.

"Dividend Payment Date" means each January 15, April 15, July 15 and October 15 of each year, commencing January 15, 2022.

"Dividend Period" means a period of time commencing on and including a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the Original Issue Date) and ending on and including the calendar day next preceding the next Dividend Payment Date.

"Dividend Rate" means a rate equal to 8.0% per annum of the Liquidation Preference per share of Series C Preferred Shares.

"Effective Price" of shares of Common Stock shall mean the quotient determined by dividing the total number of shares of Common Stock issued or sold, or deemed to have been issued or sold by the Company under Section 10(b)(iii) hereof, into the Aggregate Consideration received, or deemed to have been received by the Company for such issue under Section 10(b)(iii) hereof, for such shares of Common Stock. In the event that the number of shares of Common Stock or the Effective Price cannot be ascertained at the time of issuance, such shares of Common Stock shall be deemed issued immediately upon the occurrence of the first event that makes such number of shares or the Effective Price, as applicable, ascertainable.

"Excluded Shares" means any shares of Common Stock issued or issuable by the Company: (A) to directors, officers, employees and consultants under any stock incentive plan or similar plan or arrangement approved by the Board of Directors; (B) in respect of a conversion of the Series C Preferred Shares in accordance herewith; (C) pursuant to a stock split, stock dividend, reorganization or recapitalization applicable to all of the shares of Common Stock of the Company; or (D) pursuant to a transaction that the Initial Holder agrees shall be deemed to be an issuance of Excluded Shares.

"Fair Market Value" means the 30-Trading Day trailing VWAP of the Common Stock (as adjusted to take into account any offering expenses, such as underwriting discounts and expenses (but not including discounts to the VWAP), that are customary for the type of offering being conducted by the Company)

"Fundamental Change" means the occurrence of a liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, or a sale of all or substantially all of the assets, property or business of the Company individually or in a series of transactions, or a change of control of the Company.

"Holder" means the Person in whose name the Series C Preferred Shares is registered on the stock register of the Company maintained by the Registrar and Transfer Agent.

"Initial Holder" means Diana Shipping Inc. and/or its Affiliates.

"Junior Stock" has the meaning set forth in Section 6(a) of this Statement of Designation.

"Liquidation Event" means the occurrence of a liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, or a sale of all or substantially all of the assets, property or business of the Company individually or in a series of transactions, or a change of control of the Company. A consolidation or merger of the Company with or into any other Person, individually or in a series of transactions, shall not be deemed a Liquidation Event.

"Liquidation Preference" has the meaning set forth in Section 4(a) of this Statement of Designation.

"Officer's Certificate" means a certificate signed by the Company's Chief Executive Officer or the Chief Financial Officer or another duly authorized officer.

"Original Issue Date" means November 29, 2021.

"Original Issue Price" means $1,000.00 per share for each Series C Preferred Share (as adjusted for any stock dividends, stock splits, combinations, recapitalizations, reclassifications or other similar events with respect to the Series C Preferred Shares).

"Parity Stoc ' has the meaning set forth in Section 6(b) of this Statement of Designation.

"Paying Agent'' means Computershare Inc., acting in its capacity as paying agent for the Series C Preferred Shares, and its respective successors and assigns or any other payment agent appointed by the Company.

"Person" means a legal person, including any individual, Company, estate, partnership, joint venture, association, joint-stock company, limited liability company, trust or entity.

"PIK Share Amount'' has the meaning set forth in Section 3(a) of this Statement of Designation.

"PIK Shares" shall mean Series C Preferred Shares issued to Holders in lieu of cash dividends in accordance with this Statement of Designation.

"Preferred Stock'' means any of the Company's capital stock, however designated, which. entitles the holder thereof to a preference with respect to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the Company's affairs, over shares of the Common Stock.

"Record Date" has the meaning set forth in Section 3(b) of this Statement of Designation.

"Registrar" means Computershare Inc., acting in its capacity as registrar for the Series C Preferred Shares, and its successors and assigns or any other registrar appointed by the Company

"Preferred Shares" means any of the Company's preferred stock, par value $0.01 per share, however designated, which entitles the holder thereof to one or more preferences over shares of the Company's Common Stock.

"Senior Stock' has the meaning set forth in Section 7(c) of this Statement of Designation

"Series A Participating Preferred Stock" means the Company's Series A Participating Preferred Stock as provided for in the Company's Stockholders Rights Agreement.

"Series C Preferred Shares" has the meaning set forth in Section 1 of this Statement of Designation..

"Statement of Designation" means this Statement of Designation relating to the Series C Preferred Shares, as it may be amended from time to time in a manner consistent with this Statement of Designation, the Articles of Incorporation and the BCA.

"Trading Day" means any day on which the Common Stock is traded on the principal securities exchange or securities market on which the Common Stock is then traded; provided that "Trading Day" shall not include any day on which the Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time).

"Transfer Agent" means Computershare Inc., acting in its capacity as transfer agent for the Series C Preferred Shares, and its respective successors and assigns or any other transfer agent appointed by the Company.

"VWAP" means volume-weighted average price of the Common Stock.

For all purposes relevant to this Statement of Designation: the terms defined in the singular have a comparable meaning when used in the plural and vice versa; whenever the words "include," "includes," or "including" are used, they are deemed followed by the words "without limitation;" all references to number of shares, amounts per share, prices, and the like shall be subject to appropriate adjustment for stock splits, stock combinations, stock dividends and similar events; and, except as otherwise set forth in this Statement of Designation, if any event under this Statement of Designation occurs on a day that is not a Business Day, such event shall be deemed to occur on the first Business Day after such date.

Section 8. Fractional Shares. No Series C Preferred Shares may be issued in fractions of

a share.

Section 9. No Mandatory Redemption or Sinking Fund. The Series C Preferred Shares shall not be subject to mandatory redemption and shall not have the benefit of any sinking fund.

Section 10. Conversion. The Series C Preferred Shares shall not be convertible into Common Stock or other of the Company's securities and shall not have exchange rights or be entitled or subject to any preemptive or similar rights, except as provided in this Section 10.

(a) Optional Conversion. Each Holder of Series C Preferred Shares may elect to convert its Series C Preferred Shares, in whole or in part, into shares of Common Stock (i) at any time on or after the first anniversary of the issue date of the Series C Preferred Shares and (ii) at any time upon a Fundamental Transaction of the Company, in each case at the Conversion Price then in effect; provided, however, that except in the case of a Fundamental Change, the Holder may not convert its Series C Preferred Shares into shares of Common Stock if, after giving effect to such attempted conversion, the Holder would beneficially own greater than 49.0% of the outstanding shares of Common Stock.

For purposes of this Section 10(a), "affiliate" shall have the meaning as defined in Rule 144(a)(3) under the Securities Act of 1933, as amended, and "beneficial ownership" shall be determined in accordance with Section 13 of the Securities Exchange Act of 1934, as amended.

(b) *Adjustment of Conversion Price as Result of Certain Corporate Actions.* The Conversion Price in effect at any time shall be adjusted as follows:

(i) If the Company shall, at any time or from time to time, effect a subdivision or split of the outstanding Common Stock, the Conversion Price in effect immediately before such subdivision or split shall be proportionately decreased and, conversely, if the Company shall, at any time or from time to time, effect a combination of the outstanding Common Stock, the Conversion Price in effect immediately before such combination shall be proportionately increased. Any adjustment under this Section 10(b)(i) shall become effective at the close of business on the date of the applicable subdivision, split or combination.

(ii) In the event that the Company shall, at any time or from time to time, make or issue to all holders of shares of Common Stock, a dividend or other distribution payable in shares of Common Stock, then the Conversion Price in effect shall be decreased as of the time of such issuance in accordance with the following formula:

$$C_1 = C \times \frac{O}{O+N}$$

where:

C_1 =	The adjusted Conversion Price.
C =	The current Conversion Price.
O =	The number of shares of Common Stock outstanding immediately prior to the applicable issuance.
N =	The number of additional shares of Common Stock issued in payment of such dividend or distribution.

(iii) In the event that the Company shall, at any time or from time to time, offer shares of Common Stock (other than Excluded Shares) in a non-public offering (or in a public offering in which more than 50% of such public offering is subscribed to by Affiliates of the Company) in which the Common Stock is sold at a price less than Fair Market Value, then the Conversion Price shall be reduced (but not increased) to an amount determined by multiplying the Conversion Price by a fraction (x) the numerator of which shall be (A) the number of shares of Common Stock deemed outstanding (as determined in the following sentence) immediately prior to such issue or sale, plus (B) the number of shares of Common Stock which the Aggregate Consideration received or deemed received by the Company for the total number of additional shares of Common Stock so issued would purchase at such then-existing Conversion Price, and (y) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as determined in the following sentence) immediately prior to such issue or sale plus the total number of additional shares of Common Stock so issued. For the purposes of the preceding sentence, the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of (I) the number of shares of Common Stock outstanding, (II) the number of shares of Common Stock into which the then-outstanding Series C Preferred Shares could be converted if fully converted on the day immediately preceding the given date, and (III) the number of shares of Common Stock which are issuable upon the exercise or conversion of all other rights, options and Convertible Securities outstanding on the day immediately preceding the given date. In addition, any issuance of additional Series C Preferred Shares shall not cause an adjustment of the Conversion Price under this Section 10(b)(iii).

An adjustment made pursuant to this Section 10(b)(iii) shall be made on the next Business Day following the date on which any such issuance or sale is made and shall be effective retroactively to the close of business on the date of such issuance or sale.

For the purpose of making any adjustment required under this Section 10(b)(iii), the aggregate consideration received by the Company for any issue or sale of securities (the "Aggregate Consideration") shall be computed as: (A) to the extent it consists of cash, the gross amount of cash received by the Company before deduction of any underwriting or similar commissions, compensation or concessions paid or allowed by the Company in connection with such issue or sale and without deduction of any expenses payable by the Company, (B) to the extent it consists of property other than cash, the fair value of that property as determined in good faith by the Board of Directors; provided, however, that to the extent the Board of Directors determines the fair value of property other than cash is equal to or exceeds $1,000,000, then the Company shall have such property appraised by a qualified independent appraiser, whose valuation shall conclusively determine the value, and (C) if shares of Common Stock, Convertible Securities or rights or options to purchase either shares of Common Stock or Convertible Securities are issued or sold together with other stock or securities or other assets of the Company for a consideration which covers both, the portion of the consideration so received that may be reasonably determined in good faith by the Board of Directors to be allocable to such shares of Common Stock, Convertible Securities or rights or options.

For the purpose of the adjustment required under this Section 7(c)(iii), if the Company issues or sells (x) Preferred Shares or other stock, options, warrants, purchase rights or other securities convertible into, shares of Common Stock other than Excluded Shares (such convertible stock or securities being herein referred to as "Convertible Securities") or (y) rights or options for the purchase of shares of Common Stock or Convertible Securities (other than Excluded Shares) and if the Effective Price of such shares of Common Stock is less than the Conversion Price, the Company shall be deemed to have issued at the time of the issuance of such rights or options or Convertible Securities the maximum number of shares of Common Stock issuable upon exercise or conversion thereof and to have received as consideration for the issuance of such shares an amount equal to the total amount of the consideration, if any, received by the Company for the issuance of such rights or options or Convertible Securities plus: (A) in the case of such rights or options, the minimum amounts of consideration, if any, payable to the Company upon the exercise of such rights or options; and (B) in the case of Convetiible Securities, the minimum amounts of consideration, if any, payable to the Company upon the conversion thereof (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities); provided that if the minimum amounts of such consideration cannot be ascertained, but are a function of anti-dilution or similar protective clauses, the Company shall be deemed to have received the minimum amounts of consideration without reference to such clauses.

If the minimum amount of consideration payable to the Company upon the exercise or conversion of rights, options or Convertible Securities is reduced over time or on the occurrence or non-occurrence of specified events other than by reason of anti-dilution adjustments, the Effective Price shall be recalculated using the figure to which such minimum amount of consideration is reduced; provided further, that if the minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities is subsequently increased, the Effective Price shall be again recalculated using the increased minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities.

If any option or warrant expires or is cancelled without having been exercised, then, for the purposes of the adjustments set forth above, such option or warrant shall have been deemed not to have been issued and the Conversion Price shall be adjusted accordingly. No holder of Common Stock which was previously issued upon conversion of Series C Preferred Shares shall have any obligation to redeem or cancel any such shares of Common Stock as a result of the operation of this paragraph.

(iv) Anything herein to the contrary notwithstanding, no adjustment will be made to the Conversion Price by reason of the issuance of Common Stock upon the conversion of Series C Preferred Shares or the exercise of any such rights or options.

(c) *Corporate Events.* Prior to the consummation of any transaction pursuant to which holders of shares of Common Stock are entitled to receive securities or other assets with respect to or in exchange for shares of Common Stock, including a reclassification, exchange, substitution or reorganization (a "Corporate Event"), the Company shall make appropriate provision to ensure that each Holder will thereafter have the right to receive upon a conversion of all the Series C Preferred Shares held by such Holder, such securities and other assets (including cash) that such Holder would have been entitled to receive had such Holder converted its Series C Preferred Shares into Common Stock immediately prior to the consummation of such Corporate Event. The provisions of this Section 10(c) shall apply similarly and equally to successive Corporate Events.

(d) *Mechanics of Conversion.* No fractional shares of Common Stock shall be issued upon conversion of Series C Preferred Shares. In lieu of any fractional shares to which the Holder would otherwise be entitled, the Company shall pay cash equal to such fraction multiplied by the then Fair Market Value of such fractional shares. Before any Holder of Series C Preferred Shares shall be entitled to convert the same into full shares of Common Stock, and to receive certificates therefor, the Holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any Transfer Agent for the Series C Preferred Shares, and shall give written notice to the Company at such office that such Holder is converting the same; provided, however, that the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon conversion unless either the certificates evidencing such Series C Preferred Shares are delivered to the Company or its Transfer Agent as provided above, or the Holder notifies the Company or its Transfer Agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates.

The Company shall, as soon as practicable after such delivery, or after such agreement and indemnification, issue and deliver at such office to such Holder of Series C Preferred Shares, a certificate or certificates for the number of shares of Common Stock to which such Holder shall be entitled as aforesaid (or the applicable book-entry account shall be created and/or noted as credited with such shares of Common Stock) and a check payable to the Holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock, plus any accrued and unpaid cash dividends on the converted Series C Preferred Shares. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of Series C Preferred Shares to be converted, and the Person or Persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date.

(e) *Reservation of Stock Issuable Upon Conversion.* The Company shall at all times after the Original Issue Date, reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of the Series C Preferred Shares, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of the Series C Preferred Shares; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series C Preferred Shares, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to this Statement of Designation or the Articles of Incorporation.

(f) *Treasury Stock.* The number of shares of Common Stock outstanding at any given time shall not include shares owned or held, directly or indirectly, by or for the account of the Company. The disposition of such shares of Common Stock shall be deemed a sale for the purpose of Section 10(b)(iii) hereof.

(g) *Other Events.* If any event occurs of the type contemplated by the foregoing provisions of this Section 10 but not expressly provided for by such provisions, then the Board of Directors will make an appropriate adjustment to the Conversion Price so as to protect the rights of the holders of the Series C Preferred Shares; provided, however, that no such adjustment will increase the Conversion Price as otherwise determined pursuant to this Section 10.

Section 11. Record Holders. To the fullest extent permitted by applicable law, the Company, the Registrar, the Transfer Agent and the Paying Agent may deem and treat the Holder of any Series C Preferred Shares as the true, lawful and absolute owner thereof for all purposes, and neither the Company nor the Registrar, the Transfer Agent or the Paying Agent shall be affected by any notice to the contrary.

Section 12. Notices. All notices or communications in respect of the Series C Preferred Shares shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Statement of Designation, in the Articles of Incorporation and Bylaws or by applicable law.

Section 13. Other Rights. The Series C Preferred Shares shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth in this Statement of Designation or in the Articles of Incorporation or as provided by applicable law.

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IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, does hereby affirm that this certificate is the act and deed of the Company and that the facts herein stated are true, and accordingly has hereunto set his hand this 28th day of April, 2022.

OCEANPAL INC.

By: /s/ Eleftherios Papatrifon
Name: Eleftherios Papatrifon
Title: Chief Executive Officer

Exhibit 2.5

FIRST AMENDED AND RESTATED

STATEMENT OF DESIGNATION OF THE RIGHTS, PREFERENCES AND PRIVILEGES

OF

THE 7.0% SERIES D CUMULATIVE CONVERTIBLE PERPETUAL PREFERRED STOCK

OF

OCEANPAL INC.

OCEANPAL INC., a Company organized and existing under the Business Corporations Act (the "**BCA**") of the Republic of the Marshall Islands (the "**Company**"), in accordance with the provisions of Section 35 thereof and the Company's Amended and Restated Articles of Incorporation, does hereby certify:

1. The Board of Directors of the Company (the "**Board**") previously adopted a resolution creating a series of preferred stock of the Company designated as "7.0% Series D Cumulative Convertible Perpetual Preferred Shares".

2. Pursuant to resolutions adopted by the unanimous written consent of the Board on January 31, 2023, the Statement of Designation of the Rights, Preferences and Privileges for the Series D Preferred Shares, dated September 19, 2022 (the "**Statement of Designation**"), is hereby amended and restated as follows:

Section 1. Designation. The distinctive designation of such series of Preferred Stock is "7.0% Series D Cumulative Convertible Perpetual Preferred Stock" ("**Series D Preferred Shares**"), par value $0.01 per share. Each Series D Preferred Share shall be identical in all respects to every other Series D Preferred Share, except as to the respective dates from which dividends may begin accruing, to the extent such dates may differ. The Series D Preferred Shares represents perpetual equity interests in the Company and shall not give rise to a claim for payment of a principal amount at a particular date.

Section 2. Shares.

(a) Number. The authorized number of Series D Preferred Shares shall be 38,157, which number the Board of Directors of the Company may, from time to time, increase or decrease (but not below the number then outstanding). Series D Preferred Shares that are repurchased or otherwise acquired by the Company shall be cancelled and shall revert to authorized but unissued Preferred Stock, undesignated as to series.

Section 3. Dividends.

(a) Dividends. Dividends on each Series D Preferred Share shall be cumulative and shall accrue at the Dividend Rate from the Original Issue Date (or, for any subsequently issued and newly outstanding stock, from the Dividend Payment Date immediately preceding the issuance date of such stock) until such time as the Company pays the dividend or redeems the stock in full in accordance with Section 6 below, whether or not such dividends shall have been declared, and whether or not there are profits, surplus, or other funds legally available for the payment of dividends. Holders of Series D Preferred Shares shall be entitled to receive dividends from time to time out of any assets of the Company legally available for the payment of dividends at the Dividend Rate per share, when, as, and if declared by the Board of Directors. Dividends, to the extent declared to be paid by the Company in accordance with this Statement of Designation, shall be paid quarterly on each Dividend Payment Date. Dividends shall accumulate in each Dividend Period from and including the preceding Dividend Payment Date or the initial issue date, as the case may be, to but excluding the applicable next Dividend Payment Date for such Dividend Period. If any Dividend Payment Date otherwise would fall on a day that is not a Business Day, declared dividends shall be paid on the immediately succeeding Business Day without the accumulation of additional dividends. Dividends on the Series D Preferred Shares shall be payable based on a 360-day year consisting of twelve 30-day months. The Dividend Rate is not subject to adjustment.

Holders of Series D Preferred Shares shall receive preferential cumulative quarterly dividends payable in cash or, at the election of the Company, in PIK Shares; on each Dividend Payment Date, commencing on the first Dividend Payment Date after the first issuance of a Series D Preferred Share, in either a cash amount per share equal to the product of the Liquidation Preference and the Dividend Rate (the "**Dividend Amount**") or, at the election of the Company, in an amount of PIK Shares for each outstanding Series D Preferred Share equal *to* the Dividend Amount divided by the Original Issue Price (the "**PIK Share Amount**"). The Series A Preferred Stock and the Series B Preferred Stock shall be junior to the Series D Preferred Shares with respect to all dividends.

(b) Payment and Priorities of Dividends. Not later than 5;00 p.m., New York City time, on each Dividend Payment Date, the Company shall pay those dividends, if any, on the Series D Preferred Shares that shall have been declared by the Board of Directors to the Holders of record of such shares as such Holders' names appear on the stock transfer books of the Company maintained by the Registrar and Transfer Agent on the applicable record date (the "**Record Date**''), being the Business Day immediately preceding the applicable Dividend Payment Date, except that in the case of payments of dividends in arrears, the Record Date with respect to a Dividend Payment Date shall be such date as may be designated by the Board of Directors in accordance with the Company's Bylaws and this Statement of Designation. No dividend shall be declared or paid or set apart for payment on any Junior Stock (other than a dividend payable solely in shares of Junior Stock) unless full cumulative dividends have been or contemporaneously are being paid or provided for on all outstanding Series D Preferred Shares and any Parity Stock for all prior and the then-ending Dividend Periods.

In the event that full cumulative dividends on the Series D Preferred Shares and any Parity Stock shall not have been paid or declared and set apart for payment, the Company shall not be permitted to repurchase, redeem or otherwise acquire, in whole or in part, any Series D Preferred Shares or Parity Stock except pursuant to a purchase or exchange offer made on the same terma to all holders of Series D Preferred Shares and any Parity Stock. The Company shall not be permitted to redeem, repurchase or otherwise acquire any Common Stock or any other Junior Stock unless full cumulative dividends on the Series D Preferred Shares and any Parity Stock for all prior and the then- ending Dividend Periods shall have been paid or declared and set apart for payment.

Accumulated dividends in arrears for any past Dividend Period may be declared by the Board of Directors and paid on any date fixed by the Board of Directors, whether or not a Dividend Payment Date, to Holders of the Series D Preferred Shares on the record date for such payment, which may not be more than 60 days, nor less than 5 days, before such payment date. Subject to the next succeeding sentence, if all accumulated dividends in arrears on all outstanding Series D Preferred Shares and any Parity Stock shall not have been declared and paid, or if sufficient funds for the payment thereof shall not have been set apart, payment of accumulated dividends in arrears on the Series D Preferred Shares and any such Parity Stock shall be made in order of their respective Dividend Payment Dates, commencing with the earliest. If less than all dividends payable with respect to all Series D Preferred Shares and any Parity Stock are paid, any partial payment shall be made pro rata with respect to the Series D Preferred Shares and any Parity Stock entitled to a dividend payment at such time in proportion to the aggregate dividend amounts remaining due in respect of such shares at such time, Holders of the Series D Preferred Shares shall not be entitled to any dividend, whether payable in cash, property or stock, in excess of full cumulative dividends. No interest or sum of money in lieu of interest shall be payable in respect of any dividend payment which may be in arrears on the Series D Preferred Shares. Dividends shall be paid by check mailed to the registered address of the Holder, unless, in any particular case, the Company elects to pay by wire transfer.

Section 4. Liquidation Rights.

(a) Liquidation Event. Upon the occurrence of any Liquidation Event, Holders of Series D Preferred Shares shall be entitled to receive out of the assets of the Company or proceeds thereof legally available for distribution to stockholders of the Company, (i) after satisfaction-of all liabilities, if any, to creditors of the Company, (ii) after all applicable distributions of such assets or proceeds being made to or set aside for the holders of any Senior Stock then outstanding in respect of such Liquidation Event, (iii) concurrently with any applicable distributions of such assets or proceeds being made to or set aside for holders of any Parity Stock then outstanding in respect of such Liquidation Event and (iv) before any distribution of such assets or proceeds is made to or set aside for the holders of Common Stock and any other classes or series of Junior Stock as to such distribution, a liquidating distribution or payment in full redemption of such Series D Preferred Shares in an amount initially equal to $1,000.00 per share in cash, plus an amount equal to accumulated and unpaid dividends thereon to the date fixed for payment of such amount (whether or not declared) (the **"Liquidation Preference"),** For purposes of clarity, upon the occurrence of any Liquidation Event, (x) the holders of then outstanding Senior Stock shall be entitled to receive the applicable liquidation preference on such Senior Stock before any distribution shall be made to the Holders of the Series D Preferred Shares or any Parity Stock and (y) the Holders of outstanding Series D Preferred Shares shall be entitled to the Liquidation Preference per share in cash concurrently with any distribution made to the holders of Parity Stock and before any distribution shall be made to the holders of Common Stock or any other Junior Stock. Holders of Series D Preferred Shares shall not be entitled to any other amounts from the Company, lo their capacity as Holders of such stock, after they have received the Liquidation Preference. The payment of the Liquidation Preference shall be a payment in redemption of the Series D Preferred Shares such that, from and after payment of the full Liquidation Preference, any such Series D Preferred Shares shall thereafter be cancelled and no longer be outstanding.

(b) Partial Payment. In the event that the distribution or payment described in Section 4(a) above where the Company's assets available for distribution to holders of the outstanding Series D Preferred Shares and any Parity Stock are insufficient to permit payment of all required amounts, the Company's then remaining assets or proceeds thereof legally available for distribution to stockholders of the Company shall be distributed among the Series D Preferred Shares and any Parity Stock, as applicable, ratably on the basis of their relative aggregate liquidation preferences. To the extent that the Holders of Series D Preferred Shares receive a partial payment of their Liquidation Preference, such partial payment shall reduce the Liquidation Preference of their Series D Preferred Shares, but only to the extent of such amount paid.

(c) Residual Distributions. After payment of all required amount to the Holders of the outstanding Series D Preferred Shares and any Parity Stock, the Company's remaining assets and funds shall be distributed among the holders of the Common Stock and any other Junior Stock then outstanding according to their respective rights.

Section 5. Voting Rights.

(a) General. The Series D Preferred Shares shall have no voting rights except as set forth in this Section 5 or as otherwise provided by Marshall Islands law.

(b) Oilier Voting Rights

(1) Unless the Company shall have received the affirmative vote or consents of the Holden; of at least two-thirds of the outstanding Series D Preferred Shares, voting as a single class, the Company may not adopt any amendment to the Articles of Incorporation that adversely alters the preferences, powers or rights of the Series D Preferred Shares.

(2) Unless the Company shall have received the affirmative vote or consent of the Holders of at least two-thirds of the outstanding Series D Preferred Shares, voting as a class together with holders of any other Parity Stock upon which like voting rights been conferred and are exercisable, the Company may not (x) issue any Parity Stock if the cumulative dividends payable on outstanding Series D Preferred Shares are in arrears or (y) create or issue any Senior Stock.

(c) Voting Power. For any matter described in this Section 5 in which the Holders of the Series D Preferred Shares are entitled to vote as a class, such Holders shall be entitled to one vote. in respect of each $1,000.00 in liquidation preference held by them. Any Series D Preferred Shares held by the Company or any of its subsidiaries or Affiliates shall not be entitled to vote.

(d) No Vote or Consent in Other Cases. No vote or consent of Holders of Series D Preferred Shares shall be required for (i) the creation or incurrence of any indebtedness, (ii) the authorization or issuance of any Common Stock or other Junior Stock or (iii) except as expressly provided in paragraph (b)(2) above, the authorization or issuance of any Preferred Stock of the Company.

Section 6. Rank. The Series D Preferred Shares shall be deemed to rank with respect to dividend distributions and distributions upon a Liquidation Event:

(a) Seniority. Senior to (i) all classes of Common Stock, (ii) any Series A Participating Preferred Stock and any Series B Preferred Stock and (iii) any other class or series of capital stock established after the Original Issue Date, the terms of which expressly provide that it is made junior to the Series D Preferred Shares or any Parity Stock as to the payment of dividends and amounts payable upon any Liquidation Event (collectively referred to with the Company's Common Stock as "**Junior Stock**");

(b) Parity. Equal with (i) the Series C Preferred Stacie, and (ii) any class or series of capital stock established after the Original Issue Date, the terms of which are not expressly subordinated or senior to the Series D Preferred Shares as to the payment of dividends and amounts payable upon any Liquidation Event (referred to as "**Parity Stock**"); and

(c) Junior. Junior to any class or series of capital stock established after the Original Issue Date, the terms of which expressly provide that it ranks senior to the Series D Preferred Shares as to the payment of dividends and amounts payable upon any Liquidation Event (referred to as "**Senior Stock**"), and to all of our indebtedness and other liabilities, including trade payables.

The Company may issue additional Common Stock, additional Series D Preferred Shares and Junior Stock and, subject to Section 5(b)(2) of this Statement of Designation, Parity Stock or Senior Stock from time to time in one or more series without the consent of the holders of the Series D Preferred Shares. The Board of Directors has the authority to determine the preferences, powers, qualifications, limitations, restrictions and special or relative rights or privileges, if any, of any such series before the issuance of any shares of such series. The Board of Directors shall also determine the number of shares constituting each series of securities.

Section 7. Definitions. As used herein with respect to the Serier D Preferred Shares:

"Affiliate" means, in regard to a specified Person, a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Person specified. As used in this definition, *"control"* (including the terms *controlling, controlled by* and *under common control with)* means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

"Articles of Incorporation" means the amended and restated articles of incorporation of the Company, as they may be amended from time to time in a manner consistent with this Statement of Designation, and shall include this Statement of Designation

"BCA" has the meaning set forth in the introductory paragraph of this Statement of Designation

"Board (?{Directors" means the board of directors of the Company or, to the extent permitted by the Articles of Incorporation and the BCA, any authorized committ e thereof.

"Business Day" means any day that is not a Saturday or Sunday or a day on which banks in New York City arc authmizcd or required by law to close.

"Bylaws" means the bylaws of the Company, as they may be amended from time to time.

"Common Stock" means the common stock of the Company, par value $0.01 per share, and any other outstanding class of common stock of the Company.

"Conversion Price" means the 10-Trading Day trailing VWAP of the Common Stock, subject to adjustment as contemplated in Section 10(b) hereof.

"Company" has the meaning set forth in the introductory paragraph of this Statement of Designation.

"Dividend Payment Date" means each January 15, April 15, July 15 and October 15 of each year, commencing October 15, 2022.

"Dividend Period" means a period of time commencing on and including a Dividend Payment Date (other than the initial Dividend Period, which shall commence on and include the Original Issue Date) and ending on and including the calendar day preceding the next Dividend Payment Date.

"Dividend Rate" means a rate equal to 7.0% per annum of the Liquidation Preference per Series D Preferred Share.

"Effective Price" of shares of Common Stock shall mean the quotient determined by dividing the total number of shares of Common Stock issued or sold, or deemed to have been issued or sold by the Company under Section 10(b)(iii) hereof, into the Aggregate Consideration received, or deemed to have been received by the Company for such issue under Section 10(b)(iii) hereof, for such shares of Common Stock. In the event that the number of shares of Common Stock or the Effective Price cannot be ascertained at the time of issuance, such shares of Common Stock shall be deemed issued immediately upon the occurrence of the first event that makes such number of shares or the Effective Price, as applicable, ascertainablc.

"Excluded Shares" means any shares of Comrnon Stock issued or issuable by the Company: (A) to directors, officers, employees and consultants under any stock incentive plan or similar plan or arrangement approved by the Board of Directors; (B) in respect of a conversion of the Series D Preferred Shares in accordance herewith; (C) pursuant to a stock split, stock dividend, reorganization or recapitalization applicable to all of the shares of Common Stock of the Company; or (D) pursuant to a transaction that the Initial Holder agrees shall be deemed to be an issuance of Excluded Shares.

"Fair Market Value" means the 30-Trading Day trailing VWAP of the Common Stock (as adjusted to take into account any offering expenses, such as underwriting discounts and expenses (but not including discounts to the VWAP), that are customary for the type of offering being conducted by the Company)

"Fundamental Change" means the occurrence of a liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, or a sale of all or substantially all of the assets, property or business of the Company individually or in a series of transactions, or a change of control of the Company.

"Holder" means the Person in whose name the Series D Preferred Shares is registered on the stock register of the Company maintained by the Registrar and Transfer Agent.

"Initial Holder" means Diana Shipping Inc. and/or its Affiliates.

"Junior Stock" has the meaning set forth in Section 6(a) of this Statement of Designation.

"Liquidation Event" means the occurrence of a liquidation. dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, or a sale of all or substantially all of the assets, property or business of the Company individually or in a series of transactions, or a change of control of the Company. A consolidation or merger of the Company with or into any other Person, individually or in a series of transactions, shall not be deemed a Liquidation Event.

"Liquidation Preference" has the meaning set forth in Section 4(a) of this Statement of Designation.

"Officer's Certificate" means a certificate signed by the Company's Chief Executive Officer or the Chief Financial Officer or another duly authorized officer.

"Original Issue Date" means the first date on which the first Series D Preferred Share is issued and outstanding.

"Original Issue Price" means $1,000.00 per share for each Series D Preferred Share (as adjusted for any stock dividends, stock splits, combinations, recapitalizations, reclassifications or other similar events with respect to the Series D Preferred Shares).

"Parity Stock" has the meaning set forth in Section 6(b) of this Statement of Designation.

"Paying Agent" means Computershare Inc., acting in its capacity as paying agent for the Series D Preferred Shares, and its respective successors and assigns or any other payment agent appointed by the Company.

"Person" means a legal person, including any individual, Company, estate, partnership, joint venture, association, joint-stock company, limited liability company, trust or entity.

"PIK Share Amount" has the meaning set forth in Section 3(a) of this Statement of Designation.

"PIK Shares" shall mean Series D Preferred Shares issued to Holders in lieu of cash dividends in accordance with this Statement of Designation.

"Preferred Stock" means any of the Company's capital stock, however designated, which entitles the holder thereof lo a preference with respect to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the Company's affairs, over shares of the Common Stock.

"Record Date" has the meaning set forth in Section 3(b) of this Statement of Designation.

"Registrar" means Computershare Inc., acting in its capacity as registrar for the Series D Preferred Shares, and its successors and assigns or any other registrar appointed by the Company

"Preferred Shares" means any of the Company's preferred stock, par value $0.01 per share, however designated, which entitles the holder thereof to one or more preferences over shares of the Company's Common Stock.

"Senior Stock" has the meaning set forth in Section 7(c) of this Statement of Designation

"Series A Participating Preferred Stock" means the Company's Series A Participating Preferred Stock as provided for in the Company's Stockholders Rights Agreement.

"Series D Preferred Shares" has the meaning set forth in Section 1 of this Statement of Designation.

"Statement of Designation" means this Statement of Designation relating to the Series D Preferred Shares, as it may be amended from time to time in a manner consistent with this Statement of Designation, the Articles of Incorporation and the BCA.

"Trading Day" means any day on which the Common Stock is traded on the principal securities exchange or securities market on which the Common Stock is then traded; provided that "Trading Day" shall not include any day on which the Common Stock is scheduled to trade on such exchange or market for less than 4.5 hours or any day that the Common Stock is suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market docs not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time).

"Transfer Agent" means Computershare Inc., acting in its capacity as transfer agent for the Seties D Preferred Shares, and its respective successors and assigns or any other transfer agent appointed by the Company.

"VWAP" means volume weighted average price of the Common Stock.

For all purposes relevant to this Statement of Designation: the terms defined in the singular have a comparable meaning when used in the plural and vice versa; whenever the words "include," "includes," or "including" are used, they are deemed followed by the words "without limitation;" all references to number of shares, amounts *per* share, prices, and the like shall be subject to appropriate adjustment for stock splits, stock combinations, stock dividends and similar events; and, except as otherwise set forth in this Statement of Designation, if any event under this Statement of Designation occurs on a day that is not a Business Day, such event shall be deemed to occur on the first Business Day after such date.

Section 8. Fractional Shares. No Series D Preferred Shares may be issued in fractions of a share.

Section 9. No Mandatory Redemption or Sinking Fund. The Series D Preferred Shares shall not be subject to mandatory redemption and shall not have the benefit of any sinking fund.

Section 10. Conversion. The Series D Preferred Shares shall not be convertible into Common Stock or other of the Company's securities and shall not have exchange rights or be entitled or subject to any preemptive or similar rights, except as provided in this Section l 0.

(a) Optional Conversion. Each Holder of Series D Preferred Shares may elect to convert its Series D Preferred Shares, in whole or in part, into shares of Common Stock at any time at the Conversion Price then in effect; provided, however, that except in the case of a Fundamental Change, the Holder may not convert its Serles D Preferred Shares into shares of Common Stock if, after giving effect to such attempted conversion, the Holder would beneficially own greater than 49.0% of the outstanding shares of Common Stock.

For purposes of this Section 10(a), "beneficial ownership" shall be determined in accordance with Section 13 of the Securities Exchange Act of 1934, as amended.

(b) *Adjustment of Conversion Price as Result of Certain Corporate Actions.* The Conversion Price in effect at any time shall be adjusted as follows:

(i) If the Company shall, at any time or from time to time, effect a subdivision or split of the outstanding Common Stock, the Conversion Price in effect immediately before such subdivision or split shall be proportionately decreased and, conversely, if the Company shall, at any time or from time to time, effect a combination of the outstanding Common Stock, the Conversion Price in effect immediately before such combination shall be proportionately increased. Any adjustment under this Section 10(b)(i) shall become effective at the close of business on the date of the applicable subdivision, split or combination.

(ii) In the event that the Company shall, at any time or from time to time, make or issue to all holders of shares of Common Stock, a dividend or other distribution payable in shares of Common Stock, then the Conversion Price in effect shall be decreased as of the time of such issuance in accordance with the following formula:

$$C_1 = C \times \frac{O}{O+N}$$

where:

C_1 =	The adjusted Conversion Price.
C =	The current Conversion Price.
O =	The number of shares of Common Stock outstanding immediately prior to the applicable Issuance.
N =	The number of additional Shares of Common Stock issued in payment of such dividend or distribution.

(iii) In the event that the Company shall, at any time or from time to time, offer shares of Common Stock (other than Excluded Shares) in a non-public offering (or in a public offering in which more than 50% of such public offering is subscribed to by Affiliates of the Company) in which the Common Stock is sold at a price less than Fair Market Value, then the Conversion Price shall be reduced (but not increased) to an amount determined by multiplying the Conversion Price by a fraction, (x) the numerator of which shall be (A) the number of shares of Common Stock deemed outstanding (as determined in the following sentence) immediately prior to such issue or sale, plus (B) the number of shares of Common Stock which the Aggregate Consideration received or deemed received by the Company for the total number of additional shares of Common Stock so issued would purchase at such then-existing Conversion Price, and (y) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as determined in the following sentence) immediately prior to such issue or sale plus the total number Of additional shares of Common Stock so issued. For the purposes of the preceding sentence, the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of {I) the number of shares of Common Stock outstanding, (II) the number of shares of Common Stock into which the then-outstanding Series D Preferred Shares could be converted if fully converted on the day immediately preceding the given date, and (III) the number of shares of Common Stock which are issuable upon the exercise or conversion of all other rights, options and Convertible Securities outstanding on the day immediately preceding the given date. Jn addition, any issuance of additional Series D Preferred Shares shall not cause an adjustment of the Conversion Price under this Section 10(b)(iii).

An adjustment made pursuant to this Section 10(b)(iii) shall be made on the next Business Day following the date on which any such issuance or sale is made and shall be effective retroactively to the close of business on lhe date of such issuance or sale.

For the purpose of making any adjustment required under this Section IO(b)(iii), the aggregate consideration received by the Company for any issue or sale of securities (the "**Aggregate Consideration**") shall be computed as: (A) to the extent it consists of cash, the gross amount of cash received by the Company before deduction of any underwriting or similar commissions, compensation or concessions paid or allowed by the Company in connection with such issue or Sale and without deduction of any expenses payable by the Company, (Bi to the extent it consists of property other than cash, the fair value of that property as determined in good faith by the Board of Directors; provided, however, that to the extent the Board of Directors determines the fair value of property other than cash is equal *to* or exceeds $1,000,000, then the Company shall have such property appraised by a qualified independent appraiser, whose valuation shall conclusively determine the value, and (C) if shares of Common Stock, Convertible Securities or rights or options to purchase either shares of Common Stock or Convertible Securities are issued or sold together with other stock or securities or other assets of the Company for a consideration which covers both, the portion of the consideration so received that may be reasonably determined in good faith by the Board of Directors to be allocable to such shares of Common Stock, Convertible Securities or rights or options.

For the purpose of the adjustment required under this Section 7(c)(iii), *if* the Company issues or sells (x) Preferred Shares or other stock, options, warrants, purchase rights or other securities convertible into, shares of Common Stock other than Excluded Shares (such convertible stock or securities being herein referred to as "**Convertible Securities**") or (y) rights or options for the purchase of shares of Common Stock or Convertible Securities (other than Excluded Shares) and if the Effective Price of such shares of Common Stock is less than the Conversion Price, the Company shall be deemed to have issued at the time of the issuance of such rights or options or Convertible Securities the maximum number of shares of Common Stock issuable upon exercise or conversion thereof and to have received as consideration for the issuance of such shares an amount equal to the total amount of the consideration, if any, received by the Company for the issuance of such rights or options or Convertible Securities plus: (A) in the case of such rights or options, the minimum amounts of consideration, if any, payable to the Company upon the exercise of such rights or options;. and (B) in the case of Convertible Securities, the minimum amounts of consideration, if any, payable to the Company upon the conversion thereof (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities); provided that if the minimum amounts of such consideration cannot be ascertained, but are a function of anti dilution or similar protective clauses, the Company shall be deemed to have received the minimum amounts of consideration without reference to such clauses.

If the minimum amount of consideration payable to the Company upon the exercise or conversion of rights, options or Convertible Securities is reduced over time or on the occurrence or non-occurrence of specified events other than by reason of anti-dilution adjustments, the Effective Price shall be recalculated using the figure to which such minimum amount of consideration is reduced; provided further, that if the minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities is subsequently increased, the Effective Price shall be again recalculated using the increased minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities.

If any option or warrant expires or is cancelled without having been exercised, then, for the purposes of the adjustments set forth above, such option or warrant shall have been deemed not to have been issued and the Conversion Price shall be adjusted accordingly. No holder of Common Stock which was previously issued upon conversion of Series D Preferred Shares shall have any obligation to redeem or cancel any such shares of Common Stock as a result of the operation of this paragraph.

(iv) Anything herein to the contrary notwithstanding, no adjustment will be made to the Conversion Price by reason of the issuance of Common Stock upon the conversion of Series D Preferred Shares or the exercise of any such rights or options.

(c) *Corporate Events.* Prior to the consummation of any transaction pursuant to which holders of shares of Common Stock are entitled to receive securities or other assets with respect to or in exchange for shares of Common Stock, including a reclassification, exchange, substitution or reorganization (a "**Corporate Event**"), the Company shall make appropriate provision to ensure that each Holder will thereafter have the right to receive upon a conversion of all the Series D Preferred Shares held by such Holder, such securities and other assets (including cash) that such Holder would have been entitled to receive had such Holder converted its Serles D Preferred Shares into Common Stock immediately prior to the consummation of such Corporate Event. The provisions of this Section IO(c) shall apply similarly and equally to successive Corporate Events.

(d) *Mechanics of Conversion.* No fractional shares of Common Stock shall be issued upon conversion of Series D Preferred Shares. ln lieu of any fractional shares to which the Holder would otherwise be entitled, the Company shall pay cash equal to such fraction multiplied by the then Fair Market Value of such fractional shares. Before any Holder of Series D Preferred Shares shall be entitled to convert the same into full shares of Common Stock, and to receive certificates therefor, the Holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any Transfer Agent for the Series D Preferred Shares, and shall give written notice to the Company at such office that such Holder is converting the same; provided, however, that the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon conversion unless either the certificates evidencing such Series D Preferred Shares are delivered to the Company or its Transfer Agent as provided above, or the Holder notifies the Company or its Transfer Agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates.

The Company shall, as soon as practicable after such delivery, or after such agreement and idemnification, issue and deliver at such office to such Holder of Series D Preferred Shares, a certificate or certificates for the number of shares of Common Stock to which such Holder shall be entitled as aforesaid (or the applicable book-entry account shall be created and/or noted as credited with such shares of Common Stock) and a check payable to the Holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock, plus any accrued and unpaid cash dividends on the converted Series D Preferred Shares. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of Series D Preferred Shares to be converted, and the Person or Persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date.

(e) *Reservation of Stock Issuable Upon Conversion.* The Company shall at all times after the Original Issue Date, reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of the Series D Preferred Shares, such number of its shares of Common Stock as shall from time to time be sufficient lo effect the conversion of all then outstanding shares of the Series D Preferred Shares; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series D Preferred Shares, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to this Statement of Designation or the Articles of Incorporation.

(f) *Treasury Stock.* The number of shares of Common Stock outstanding at any given time shall not include shares owned or held, directly or indirectly, by or for the account of the Company. The disposition of such shares of Common Stock shall be deemed a sale for the purpose of Section 10(b)(iii) hereof.

(g) *Other Events.* If any event occurs of the type contemplated by the foregoing provisions of this Section 10 but not expressly provided for by such provisions, then the Board of Directors *will* make mi appropriate adjustment to the Conversion Price so as to protect the rights of the holders of the Series D Preferred Shares; provided, however, that no such adjustment will increase the Conversion Price as otherwise dctermined pursuant to this Section JO.

Section 11. Record Holders. To the fullest extent permitted by applicable law, the Company, the Registrar, the Transfer Agent and the Paying Agent may deem and treat the Holder of any Series D Preferred Shares as the true, lawful and absolute owner thereof for all purposes, and neither the Company nor the Registrar, the Transfer Agent or the Paying Agent shall be affected by any notice to the contrary.

Section 12. Notices. All notices or communications in respect of the Series D Preferred Shares shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Statement of Designation, in the Articles of Incorporation and Bylaws or by applicable law.

Section 13. Other Rights. The Series D Preferred Shares shall not have any voting powers, preferences or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth in this Statement of Designation or in the Articles of Incorporation or as provided by applicable law.

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IN WITNESS WHEREOF, the undersigned, being duly authorized thereto, does hereby affirm that this certificate is the act and deed of the Company and that the facts herein stated are true, and accordingly has hereunto set his hand this 31” day of January, 2023.

OCEANPAL INC.

By: /s/ Eleftherios Papatrifon

Name: Eleftherios Papatrifon

Title: Chief Executive Officer

Exhibit 2.10

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

OceanPal Inc. (the "Company", "we", "us" or "our") only has common stock registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Act"). In addition, the Company has outstanding Series B Preferred Shares, Series C Preferred Shares, Series D Preferred Shares, Series E Preferred Shares, Class A Warrants and Class B Warrants which are not registered under Section 12 of the Act.

The following description sets forth certain material provisions of these securities. The following summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of the Company's Amended and Restated Articles of Incorporation, as amended (the "Articles of Incorporation") and Amended and Restated Bylaws (the "Bylaws"), the Statement of Designation of the Series B Preferred Shares of the Company, the Statement of Designation of the 8.0% Series C Cumulative Convertible Perpetual Preferred Shares of the Company, the Statement of Designation of the 7.0% Series D Preferred Shares of the Company, the Statement of Designation of the Series E Preferred Stock, Class A Warrant, Class B Warrant, and Warrant Agency Agreement, as applicable, each of which is incorporated by reference as an exhibit to the Annual Report on Form 20-F of which this Exhibit is a part. We encourage you to refer to the Company's Articles of Incorporation and Bylaws for additional information.

DESCRIPTION OF COMMON STOCK

General

Under our Articles of Incorporation, our authorized capital stock consists of 1,000,000,000 shares of common stock, par value $0.01 per share and 100,000,000 shares of preferred stock, par value $0.01 per share, of which (i) 1,000,000 shares are designated Series A Participating Preferred Stock, none of which are issued and outstanding as of April 15, 2024, (ii) 500,000 shares are designated Series B Preferred Stock, all of which are issued and outstanding as of April 15, 2024, (iii) 20,000 shares are designated Series C Preferred Stock, of which 8,853 were issued and outstanding as of April 15, 2024 (iv) 38,157 shares were designated as Series D Preferred stock, of which 13,729 are issued and outstanding as of April 15, 2024, and (v) 10,000 shares are designated Series E Preferred Stock, of which 1,200 were issued and outstanding as of April 15, 2024. All of our shares of stock are in registered form.

Common Stock

Each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders. Subject to preferences that may be applicable to any outstanding shares of preferred stock, holders of shares of common stock are entitled to receive ratably all dividends, if any, declared by our board of directors out of funds legally available for dividends. Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of our common stock will be entitled to receive pro rata our remaining assets available for distribution. Holders of common stock do not have conversion, redemption or preemptive rights to subscribe to any of our securities. The rights, preferences and privileges of holders of common stock are subject to the rights of the holders of our preferred stock.

Liquidation Rights

Upon our dissolution or liquidation or the sale of all or substantially all of our assets, after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation

preferences, if any, the holders of our common shares are entitled to receive pro rata our remaining assets available for distribution.

Limitations on Ownership

Under Marshall Islands law generally and our Articles of Incorporation, there are no limitations on the right of non-residents of the Marshall Islands or owners who are not citizens of the Marshall Islands to hold or vote our common shares.

Anti-takeover Effect of Certain Provisions of our Articles of Incorporation and Bylaws

Several provisions of our Articles of Incorporation and Bylaws, which are summarized below, may have anti-takeover effects. These provisions are intended to avoid costly takeover battles, lessen our vulnerability to a hostile change of control and enhance the ability of our board of directors to maximize shareholder value in connection with any unsolicited offer to acquire us. However, these anti-takeover provisions, which are summarized below, could also discourage, delay or prevent (1) the merger or acquisition of us by means of a tender offer, a proxy contest or otherwise that a shareholder may consider in its best interest and (2) the removal of incumbent officers and directors.

Blank check preferred stock

Under the terms of our Articles of Incorporation, our board of directors has authority, without any further vote or action by our shareholders, to issue up to 100,000,000 shares of blank check preferred stock. Our board of directors may issue preferred shares on terms calculated to discourage, delay or prevent a change of control of us or the removal of our management and might harm the market price of our common shares.

Election and removal of directors

Our Articles of Incorporation prohibit cumulative voting in the election of directors. Our Bylaws require parties other than the board of directors to give advance written notice of nominations for the election of directors. Our Articles of Incorporation also provide that our directors may be removed for cause upon the affirmative vote of not less than a majority of the outstanding shares of our common stock entitled to vote for those directors. These provisions may discourage, delay or prevent the removal of incumbent officers and directors.

Limited actions by shareholders

Our Articles of Incorporation and our Bylaws provide that any action required or permitted to be taken by our shareholders must be effected at an annual or special meeting of shareholders or by the unanimous written consent of our shareholders. Our Articles of Incorporation and our Bylaws provide that, unless otherwise prescribed by law, only our Board of Directors may call special meetings of our shareholders and the business transacted at the special meeting is limited to the purposes stated in the notice. If there is a failure to hold the annual meeting within a period of ninety (90) days after the date designated therefor, or if no date has been designated for a period of thirteen (13) months after its last annual meeting, holders of not less than one-fifth of the shares entitled to vote in an election of directors may, in writing, demand the call of a special meeting in lieu of the annual meeting specifying the time thereof, which shall not be less than two (2) nor more than three (3) months from the date of such call.

Advance notice requirements for shareholder proposals and director nominations

Our Bylaws provide that shareholders seeking to nominate candidates for election as directors or to bring business before an annual meeting of shareholders must provide timely notice of their proposal in writing to the corporate secretary. Generally, to be timely, a shareholder's notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the one year anniversary of the date on which the Company first mailed its proxy materials for the preceding year's annual meeting of stockholders. Our Bylaws also specify requirements as to the form and content of a shareholder's notice. These provisions may impede shareholders' ability to bring matters before an annual meeting of shareholders or make nominations for directors at an annual meeting of shareholders.

Classified board of directors

As described above, our Articles of Incorporation provide for the division of our board of directors into three classes of directors, with each class as nearly equal in number as possible, serving staggered three year terms beginning on the expiration of the initial term for each class. Accordingly, approximately one-third of our board of directors will be elected each year. This classified board provision could discourage a third party from making a tender offer for our shares or attempting to obtain control of us. It could also delay shareholders who do not agree with the policies of our board of directors from removing a majority of our board of directors for two years.

Business combinations

Although the Marshall Islands Business Corporations Act (the "BCA") does not contain specific provisions regarding "business combinations" between companies organized under the laws of the Marshall Islands and "interested shareholders," we have included these provisions in our Articles of Incorporation. Specifically, our Articles of Incorporation prohibit us from engaging in a "business combination" with certain persons for three years following the date the person becomes an interested shareholder.

Interested shareholders generally include:

- any person who is the beneficial owner of 15% or more of our outstanding voting shares; or
- any person who is our affiliate or associate and who held 15% or more of our outstanding voting shares at any time within three years before the date on which the person's status as an interested shareholder is determined, and the affiliates and associates of such person.

Subject to certain exceptions, a business combination includes, among other things:

- certain mergers or consolidations of us or any direct or indirect majority-owned subsidiary of ours;
- any sale, lease, exchange, mortgage, pledge, transfer or other disposition of our assets or of any subsidiary of ours having an aggregate market value equal to 10% or more of either the aggregate market value of all of our assets, determined on a combined basis, or the aggregate value of all of our outstanding shares;
- certain transactions that result in the issuance or transfer by us of any shares of ours to the interested shareholder;
- any transaction involving us or any of our subsidiaries that has the effect of increasing the proportionate share of any class or series of stock, or securities convertible into any class or series of stock, of ours or any such subsidiary that is owned directly or indirectly by the interested shareholder or any affiliate or associate of the interested shareholder; and any receipt by the interested shareholder of the benefit directly or indirectly (except proportionately as a shareholder) of any loans, advances, guarantees, pledges or other financial benefits provided by or through us.

- any sale, lease, exchange, mortgage, pledge, transfer or other disposition of our assets or of any subsidiary of ours having an aggregate market value equal to 10% or more of either the aggregate market value of all of our assets, determined on a combined basis, or the aggregate value of all of our outstanding shares;
- certain transactions that result in the issuance or transfer by us of any shares of ours to the interested shareholder;
- any transaction involving us or any of our subsidiaries that has the effect of increasing the proportionate share of any class or series of stock, or securities convertible into any class or series of stock, of ours or any such subsidiary that is owned directly or indirectly by the interested shareholder or any affiliate or associate of the interested shareholder; and
- any receipt by the interested shareholder of the benefit directly or indirectly (except proportionately as a shareholder) of any loans, advances, guarantees, pledges or other financial benefits provided by or through us.

These provisions of our Articles of Incorporation do not apply to a business combination if:

- before a person became an interested shareholder, our board of directors approved either the business combination or the transaction in which the shareholder became an interested shareholder;
- upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85% of our voting shares outstanding at the time the transaction commenced, other than certain excluded shares;

- at or following the transaction in which the person became an interested shareholder, the business combination is approved by our board of directors and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of the holders of at least two-thirds of our outstanding voting shares that is not owned by the interest shareholder;
- the shareholder was or became an interested shareholder prior to the closing of our initial public offering;
- a shareholder became an interested shareholder inadvertently and (i) as soon as practicable divested itself of ownership of sufficient shares so that the shareholder ceased to be an interested shareholder; and (ii) would not, at any time within the three-year period immediately prior to a business combination between us and such shareholder, have been an interested shareholder but for the inadvertent acquisition of ownership; or the business combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required under our Articles of Incorporation which (i) constitutes one of the transactions described in the following sentence; (ii) is with or by a person who either was not an interested shareholder during the previous three years or who became an interested shareholder with the approval of the board; and (iii) is approved or not opposed by a majority of the members of the board of directors then in office (but not less than one) who were directors prior to any person becoming an interested shareholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors.

The proposed transactions referred to in the preceding sentence are limited to:

- a merger or consolidation of us (except for a merger in respect of which, pursuant to the BCA, no vote of our shareholders is required);

- a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of us or of any direct or indirect majority-owned subsidiary of ours (other than to any direct or indirect wholly-owned subsidiary or to us) having an aggregate market value equal to 50% or more of either the aggregate market value of all of our assets determined on a consolidated basis or the aggregate market value of all the outstanding shares; or
- a proposed tender or exchange offer for 50% or more of our outstanding voting shares.

Marshall Islands Company Considerations

Our corporate affairs are governed by our Articles of Incorporation and Bylaws and by the BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. While the BCA also provides that it is to be interpreted according to the laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few, if any, court cases interpreting the BCA in the Marshall Islands and we cannot predict whether Marshall Islands courts would reach the same conclusions as courts in the United States. As a result, you may have more difficulty protecting your interests in the face of actions by our management, directors or controlling shareholders than would shareholders of a corporation incorporated in a U.S. jurisdiction which has developed a substantial body of case law. The following table provides a comparison between the statutory provisions of the BCA and the General Corporation Law of the State of Delaware relating to shareholders' rights.

Marshall Islands	**Delaware**
Shareholder Meetings	
Held at a time and place as designated in the bylaws.	May be held at such time or place as designated in the certificate of incorporation or the bylaws, or if not so designated, as determined by the board of directors.
Special meetings of the shareholders may be called by the board of directors or by such person or persons as may be authorized by the articles of incorporation or by the bylaws.	Special meetings of the shareholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the bylaws.
May be held within or without the Marshall Islands.	May be held within or without Delaware.
Notice:	*Notice*:
Whenever shareholders are required to take any action at a meeting, written notice of the meeting shall be given which shall state the	

place, date and hour of the meeting and, unless it is an annual meeting, indicate that it is being issued by or at the direction of the person calling the meeting. Notice of a special meeting shall also state the purpose for which the meeting is called.	Whenever shareholders are required to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, if any, date and hour of the meeting, and the means of remote communication, if any.
A copy of the notice of any meeting shall be given personally, sent by mail or by electronic mail not less than 15 nor more than 60 days before the meeting.	Written notice shall be given not less than 10 nor more than 60 days before the meeting.
Shareholders' Voting Rights	
Unless otherwise provided in the articles of incorporation, any action required to be taken at a meeting of shareholders may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, is signed by all the shareholders entitled to vote with respect to the subject matter thereof, or if the articles of incorporation so provide, by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.	Any action required to be taken at a meeting of shareholders may be taken without a meeting if a consent for such action is in writing and is signed by shareholders having not fewer than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.
Any person authorized to vote may authorize another person or persons to act for him by proxy.	Any person authorized to vote may authorize another person or persons to act for him by proxy.
Unless otherwise provided in the articles of incorporation or bylaws, a majority of shares entitled to vote constitutes a quorum. In no event shall a quorum consist of fewer than one-third of the shares entitled to vote at a meeting.	For stock corporations, the certificate of incorporation or bylaws may specify the number of shares required to constitute a quorum but in no event shall a quorum consist of less than one-third of shares entitled to vote at a meeting. In the absence of such specifications, a majority of shares entitled to vote shall constitute a quorum. However, where a company's certificate of incorporation provides for more or less than one vote for any share or matter, references to quorum shall refer to the number of votes entitled to be cast.

When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders.	When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders.
The articles of incorporation may provide for cumulative voting in the election of directors.	The certificate of incorporation may provide for cumulative voting in the election of directors.
Merger or Consolidation	
Any two or more domestic corporations may merge into a single corporation if approved by the board and if authorized by a majority vote of the holders of outstanding shares at a shareholder meeting.	Any two or more corporations existing under the laws of the state may merge into a single corporation pursuant to a board resolution and upon the majority vote by shareholders of each constituent corporation at an annual or special meeting.
Any sale, lease, exchange or other disposition of all or substantially all the assets of a corporation, if not made in the corporation's usual or regular course of business, once approved by the board, shall be authorized by the affirmative vote of two-thirds of the shares of those entitled to vote at a shareholder meeting.	Every corporation may at any meeting of the board sell, lease or exchange all or substantially all of its property and assets as its board deems expedient and for the best interests of the corporation when so authorized by a resolution adopted by the holders of a majority of the outstanding stock of the corporation entitled to vote.

Any domestic corporation owning at least 90% of the outstanding shares of each class of another domestic corporation may merge such other corporation into itself without the authorization of the shareholders of any corporation.	Any corporation owning at least 90% of the outstanding shares of each class of another corporation may merge the other corporation into itself and assume all of its obligations without the vote or consent of shareholders; however, in case the parent corporation is not the surviving corporation, the proposed merger shall be approved by a majority of the outstanding stock of the parent corporation entitled to vote at a duly called shareholder meeting.
Any mortgage, pledge of or creation of a security interest in all or any part of the corporate property may be authorized without the vote or consent of the shareholders, unless otherwise provided for in the articles of incorporation.	Any mortgage or pledge of a corporation's property and assets may be authorized without the vote or consent of shareholders, except to the extent that the certificate of incorporation otherwise provides.
Director	
The board of directors must consist of at least one member.	The board of directors must consist of at least one member.
The number of board members may be changed by an amendment to the bylaws, by the shareholders, or by action of the board under the specific provisions of a bylaw.	The number of board members shall be fixed by, or in a manner provided by, the bylaws, unless the certificate of incorporation fixes the number of directors, in which case a change in the number shall be made only by an amendment to the certificate of incorporation.
If the board is authorized to change the number of directors, it can only do so by a majority of the entire board and so long as no decrease in the number shall shorten the term of any incumbent director.	If the number of directors is fixed by the certificate of incorporation, a change in the number shall be made only by an amendment of the certificate. If the number of directors is fixed by the by-laws, it may be changed by an amendment to the by-laws.
Removal:	*Removal*:
Any or all of the directors may be removed for cause by vote of the shareholders.	Any or all of the directors may be removed, with or without cause, by the holders of a majority of the shares entitled to vote unless the certificate of incorporation otherwise provides.
If the articles of incorporation or the bylaws so provide, any or all of the directors may be removed without cause by vote of the shareholders.	In the case of a classified board, shareholders may effect removal of any or all directors only for cause.
Dissenters' Rights of Appraisal	

Shareholders have a right to dissent from any plan of merger, consolidation or sale of all or substantially all assets not made in the usual course of business, and receive payment of the fair value of their shares. However, the right of a dissenting shareholder under the BCA to receive payment of the appraised fair value of his shares shall not be available for the shares of any class or series of stock, which shares or depository receipts in respect thereof, at the record date fixed to determine the shareholders entitled to receive notice of and to vote at the meeting of the shareholders to act upon the agreement of merger or consolidation, were either (i) listed on a securities exchange or admitted for trading on an interdealer quotation system or (ii) held of record by more than 2,000 holders. The right of a dissenting shareholder to receive payment of the fair value of his or her shares shall not be	Appraisal rights shall be available for the shares of any class or series of stock of a corporation in a merger or consolidation, subject to limited exceptions, such as a merger or consolidation of corporations listed on a national securities exchange in which listed stock is offered for consideration which is (i) listed on a national securities exchange or (ii) held of record by more than 2,000 holders. Notwithstanding those limited exceptions, appraisal rights will be available if shareholders are required by the terms of an agreement of merger or consolidation to accept certain forms of uncommon consideration.

available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the shareholders of the surviving corporation.	
A holder of any adversely affected shares who does not vote on or consent in writing to an amendment to the articles of incorporation has the right to dissent and to receive payment for such shares if the amendment:	Shareholders do not have appraisal rights due to an amendment of the company's certificate of incorporation unless provided for in such certificate.
Alters or abolishes any preferential right of any outstanding shares having preference; or	
Creates, alters, or abolishes any provision or right in respect to the redemption of any outstanding shares; or	
Alters or abolishes any preemptive right granted by law and not disseated by the articles of incorporation of such holder to acquire shares or other securities; or	
Excludes or limits the right of such holder to vote on any matter, except as such right may be limited by the voting rights given to new shares then being authorized of any existing or new class.	
Shareholder's Derivative Actions	
Such action shall not be discontinued, compromised or settled, without the approval of the High Court of the Republic of the Marshall Islands.	
Reasonable expenses including attorney's fees may be awarded if the action is successful.	
A corporation may require a plaintiff bringing a derivative suit to give security for reasonable expenses if the plaintiff owns less than 5% of any class of outstanding shares or holds voting trust certificates or a beneficial interest in shares representing less than 5% of any class of such shares and the shares, voting trust certificates or	
beneficial interest of such plaintiff has a fair value of $50,000 or less.	

Preferred Stock Purchase Rights

We have entered into a Stockholders Rights Agreement, or the Rights Agreement, with Computershare Trust Company, N.A., as Rights Agent.

Under the Rights Agreement, we will declare a dividend payable of one preferred stock purchase right, or Right, for each share of common stock outstanding immediately following the consummation of Diana Shipping's distribution of our common shares. Each Right entitles the registered holder to purchase from us one one-thousandth of a share of Series A Participating Preferred Stock, par value $0.01 per share, at an exercise price of $40.00 per share. The Rights will separate from the common stock and become exercisable only if a person or group acquires beneficial ownership of 15% or more of our common stock (including through entry into certain derivative positions) in a transaction not approved by our board of directors. In that situation, each holder of a Right (other than the acquiring person, whose Rights will become void and will not be exercisable) will have the right to purchase, upon payment of the exercise price, a number of shares of our common stock having a then-current market value equal to twice the exercise price. In addition, if the Company is acquired in a merger or other business combination after an acquiring person acquires 15% or more of our common stock, each holder of the Right will thereafter have the right to purchase, upon payment of the exercise price, a number of shares of common stock of the acquiring person having a then-current market value equal to twice the exercise price. The acquiring person will not be entitled to exercise these Rights. Until a Right is exercised, the holder of a Right will have no rights to vote or receive dividends or any other stockholder rights.

The Rights may have anti-takeover effects. The Rights will cause substantial dilution to any person or group that attempts to acquire us without the approval of our board of directors. As a result, the overall effect of the Rights may be to render more difficult or discourage any attempt to acquire us. Because our board of directors can approve a redemption of the Rights or a permitted offer, the Rights should not interfere with a merger or other business combination approved by our board of directors.

We have summarized the material terms and conditions of the Rights Agreement and the Rights below. For a complete description of the Rights, we encourage you to read the Rights Agreement, which we have filed as an exhibit hereto.

Detachment of the Rights

The Rights are attached to all certificates representing our currently outstanding common stock, or, in the case of uncertificated common shares registered in book entry form, which we refer to as "book entry shares," by notation in book entry accounts reflecting ownership, and will attach to all common stock certificates and book entry shares we issue prior to the Rights distribution date that we describe below. The Rights are not exercisable until after the Rights distribution date and will expire 10 years after the date thereof, unless we redeem or exchange them earlier as we describe below. The Rights will separate from the common stock and a Rights distribution date would occur, subject to specified exceptions, on the earlier of the following two dates:

- the 10th day after public announcement that a person or group has acquired ownership of 15% or more of the Company's common stock; or
- the 10th business day (or such later date as determined by the Company's board of directors) after a person or group announces a tender or exchange offer which would result in that person or group holding 15% or more of the Company's common stock.

"Acquiring person" is generally defined in the Rights Agreement as any person, together with all affiliates or associates, who beneficially owns 15% or more of the Company's common stock. However, the Company, any subsidiary of the Company or any employee benefit plan of the Company or of any subsidiary of the Company, or any person holding shares of common stock for or pursuant to the terms of any such plan, are excluded from the definition of "acquiring person." In addition, persons who beneficially own 15% or more of the Company's common stock on the effective date of the Rights Agreement are excluded from the definition of "acquiring person" until such time as they acquire additional shares in excess of 2% of the Company's then outstanding common stock as specified in the Rights Agreement for purposes of the Rights, and therefore, until such time, their ownership cannot trigger the Rights. For purposes of the Stockholders Rights Agreements, our Chairperson of the Board or any entity controlled by our Chairperson of the Board will not be considered an Acquiring Person regardless of the beneficial ownership. Specified "inadvertent" owners that would otherwise become an acquiring person, including those who would have this designation as a result of repurchases of common stock by us, will not become acquiring persons as a result of those transactions.

Our board of directors may defer the Rights distribution date in some circumstances, and some inadvertent acquisitions will not result in a person becoming an acquiring person if the person promptly divests itself of a sufficient number of shares of common stock.

Until the Rights distribution date:

- our common stock certificates and book entry shares will evidence the Rights, and the Rights will be transferable only with those certificates; and
- any new common stock will be issued with Rights and new certificates or book entry shares, as applicable, will contain a notation incorporating the Rights Agreement by reference.

As soon as practicable after the Rights distribution date, the Rights agent will mail certificates representing the Rights to holders of record of common stock at the close of business on that date. After the Rights distribution date, only separate Rights certificates will represent the Rights.

We will not issue Rights with any shares of common stock we issue after the Rights distribution date, except as our board of directors may otherwise determine.

Flip-In Event

A "flip-in event" will occur under the Rights Agreement when a person becomes an acquiring person other than pursuant to certain kinds of permitted offers. An offer is permitted under the Rights Agreement if a person will become an acquiring person pursuant to a merger or other acquisition agreement that has been approved by our board of directors prior to that person becoming an acquiring person.

If a flip-in event occurs and we have not previously redeemed the Rights as described under the heading "Redemption of Rights" below or, if the acquiring person acquires less than 50% of our outstanding common stock and we do not exchange the Rights as described under the heading "Exchange of Rights" below, each Right, other than any Right that has become void, as we describe below, will become exercisable at the time it is no longer redeemable for the number of shares of common stock, or, in some cases, cash, property or other of our securities, having a current market price equal to two times the exercise price of such right.

When a flip-in event occurs, all Rights that then are, or in some circumstances that were, beneficially owned by or transferred to an acquiring person or specified related parties will become void in the circumstances the Rights Agreement specifies.

Flip-Over Event

A "flip-over event" will occur under the Rights Agreement when, at any time after a person has become an acquiring person:

- we are acquired in a merger or other business combination transaction, other than specified mergers that follow a permitted offer of the type we describe above; or
- 50% or more of our assets or earning power is sold or transferred.

If a flip-over event occurs, each holder of a Right, other than any Right that has become void as we describe under the heading "Flip-In Event" above, will have the right to receive the number of shares of common stock of the acquiring company which has a current market price equal to two times the exercise price of such Right.

Anti-dilution

The number of outstanding Rights associated with our common stock is subject to adjustment for any stock split, stock dividend or subdivision, combination or reclassification of our common stock occurring prior to the Rights distribution date. With some exceptions, the Rights Agreement will not require us to adjust the exercise price of the Rights until cumulative adjustments amount to at least 1% of the exercise price. It also will not require us to issue fractional shares of our Series A Participating Preferred Stock that are not integral multiples of one-thousandth of a share, and, instead we may make a cash adjustment based on the market price of the common stock on the last trading date prior to the date of exercise.

Redemption of Rights

At any time until the date on which the occurrence of a flip-in event is first publicly announced, we may order redemption of the Rights in whole, but not in part, at a redemption price of $0.01 per right. The redemption price is subject to adjustment for any stock split, stock dividend or similar transaction occurring before the date of redemption. At our option, we may pay that redemption price in cash or shares of common stock. The Rights are not exercisable after a flip-in event if they are timely redeemed by us or until ten days following the first public announcement of a flip-in event. If our board of directors timely orders the redemption of the Rights, the Rights will terminate on the effectiveness of that action.

Exchange of Rights

We may, at our option, exchange the Rights (other than Rights owned by an acquiring person or an affiliate or an associate of an acquiring person, which have become void), in whole or in part. The exchange will be at an exchange ratio of one share of common stock per right, subject to specified adjustments at any time after the occurrence of a flip-in event and prior to any person other than us or our existing stockholders becoming the beneficial owner of 50% or more of our outstanding common stock for the purposes of the Rights Agreement.

Amendment of Terms of Rights

During the time the Rights are redeemable, we may amend any of the provisions of the Rights Agreement, other than by decreasing the redemption price. Once the Rights cease to be redeemable, we generally may amend the provisions of the Rights Agreement, other than to decrease the redemption price, only as follows:

- to cure any ambiguity, defect or inconsistency;
- to make changes that do not materially adversely affect the interests of holders of Rights, excluding the interests of any acquiring person; or
- to shorten or lengthen any time period under the Rights Agreement, except that we cannot lengthen the time period governing redemption or lengthen any time period that protects, enhances or clarifies the benefits of holders of Rights other than an acquiring person.

DESCRIPTION OF OTHER SECURITIES OF THE COMPANY

Series B Preferred Stock

The Series B Preferred Shares entitle the holder thereof the right to vote up to 34% of the total number of votes entitled to be cast for all matters for which our shareholders are entitled to vote on, but will have no economic rights. To the extent the aggregate voting power of any holder of Series B Preferred Shares, together with any affiliate of such holder, would exceed 49% of the total number of votes that may be cast on any matter submitted to a vote of our shareholders, the number of votes of the Series B Preferred Shares shall be automatically reduced so that such holder's aggregate voting power, together with any affiliate of such holder, is not more than 49%.

Series C Preferred Stock

The Series C Preferred Shares have a cumulative preferred dividend accruing at the rate of 8.0% per annum, contain a $1,000 liquidation preference and are convertible into common shares at the holder's option commencing upon the first anniversary of the original issue date, at a conversion price equal to the lesser of $1,300 and the 10-trading day trailing VWAP of our common shares, subject to certain adjustments. The holder, however, will be prohibited from converting the Series C Preferred Shares into common shares to the extent that, as a result of such conversion, the holder (together with its affiliates) would beneficially own more than 49% of the total outstanding common shares.

The Series C Preferred Shares will have no voting rights except (1) in respect of amendments to the Articles of Incorporation which would adversely alter the preferences, powers or rights of the Series C Preferred Shares or (2) in the event that we propose to issue any parity stock if the cumulative dividends payable on outstanding Preferred Stock are in arrears or any senior stock.

Dividends on shares of the Series C Preferred Stock will accrue and be cumulative from the date that the shares of the Series C Preferred Stock are originally issued and will be payable on each Dividend Payment Date (as defined below) when, as and if declared by our board of directors or any authorized committee thereof out of legally available funds for such purpose. Dividends will be paid on January 15, April 15, July 15 and October 15 (each, a "Dividend Payment Date") commencing January 15, 2022. If any Dividend Payment Date otherwise would fall on a day that is not a business day, declared dividends will be payable on the next day business day without the accumulation of additional dividends.

The Series C Preferred Stock shall be deemed to rank with respect to dividend distributions and distributions upon a Liquidation Event:

a) Seniority. Senior to (i) all classes of common stock, (ii) any Series A Participating Preferred Stock and any Series B Preferred Stock and (iii) any other class or series of capital stock established after the original issue date of the Series C Preferred Stock, the terms of which expressly provide that it is made junior to the Series C Preferred Stock or any Parity Stock as to the payment of dividends and amounts payable upon any liquidation, dissolution or winding-up, whether voluntary or involuntary (collectively referred to with the Company's Common Shares as "Junior Stock");

b) Parity. Equal with any class or series of capital stock established after the original issue date of the Series C Preferred Stock, the terms of which are not expressly subordinated or senior to the Series C Preferred Stock as to the payment of dividends and amounts payable upon liquidation, dissolution or winding-up, whether voluntary or involuntary (referred to as "Parity Stock"); and

c) Junior. Junior to any class or series of capital stock established after the original issue date of the Series C Preferred Stock, the terms of which expressly provide that it ranks senior to the Series C Preferred Stock as to the payment of dividends and amounts payable upon any liquidation, dissolution or winding-up, whether voluntary or involuntary (referred to as "Senior Stock"), and to all of our indebtedness and other liabilities, including trade payables.

Series D Preferred Stock

The Series D Preferred Stock has a cumulative preferred dividend accruing at the rate of 7.0% per annum, contain a $1,000 liquidation preference and are convertible into common shares at any time at the holder's option commencing from the original issue date, at a conversion price equal to the 10-trading day trailing VWAP of our common shares, subject to certain adjustments. Each holder, however, is prohibited from converting its shares of Series D Preferred Stock to the extent that, as a result of such conversion, the holder would beneficially own more than 49% of our total outstanding common shares.

The Series D Preferred Shares will have no voting rights except (1) in respect of amendments to the Articles of Incorporation which would adversely alter the preferences, powers or rights of the holders of Series D Preferred Stock or (2) in the event that we propose to issue any parity stock if the cumulative dividends payable on our outstanding shares of Series D Preferred Stock are in arrears or any senior stock.

Dividends on shares of the Series D Preferred Stock will accrue and be cumulative from the date that the shares of the Series D Preferred Stock are originally issued and will be payable on each Dividend Payment Date (as defined below) when, as and if declared by our board of directors or any authorized committee thereof out of legally available funds for such purpose. Dividends will be paid on January 15, April 15, July 15 and October 15 (each, a "Dividend Payment Date") commencing October 15, 2022. If any Dividend Payment Date otherwise would fall on a day that is not a business day, declared dividends will be payable on the next day business day without the accumulation of additional dividends.

The Series D Preferred Stock shall be deemed to rank with respect to dividend distributions and distributions upon a Liquidation Event:

a) Seniority. Senior to (i) all classes of common stock, (ii) any Series A Participating Preferred Stock and any Series B Preferred Stock and (iii) any other class or series of capital stock established after the original issue date of the Series D Preferred Stock, the terms of which expressly provide that it is made junior to the Series D Preferred Stock or any Parity Stock as to the payment of dividends and amounts payable upon any liquidation, dissolution or winding-up, whether voluntary or involuntary (collectively referred to with the Company's Common Shares as "Junior Stock");

b) Parity. Equal with (i) the Series C Preferred Stock, and (ii) any class or series of capital stock established after the original issue date of the Series D Preferred Stock, the terms of which are not expressly subordinated or senior to the Series D Preferred Stock as to the payment of dividends and amounts payable upon liquidation, dissolution or winding-up, whether voluntary or involuntary (referred to as "Parity Stock"); and

c) Junior. Junior to any class or series of capital stock established after the original issue date of the Series D Preferred Stock, the terms of which expressly provide that it ranks senior to the Series D Preferred Stock as to the payment of dividends and amounts payable upon any liquidation, dissolution or winding-up, whether voluntary or involuntary (referred to as "Senior Stock"), and to all of our indebtedness and other liabilities, including trade payables.

Series E Preferred Stock

The Series E Preferred Stock has no dividend or liquidation rights. The Series E Preferred Stock votes with the shares of common stock of the Company, and each share of the Series E Preferred Stock entitles the holder thereof to up to 25,000 votes, on all matters submitted to a vote of the stockholders of the Company, subject up to 15% of the total number of votes entitled to be cast on matters put to shareholders of the Company. The Series E Preferred Stock is convertible, at the election of the holder, in whole or in part, into shares of our common stock at a conversion price equal to the 10-trading day trailing VWAP of our common stock, subject to certain adjustments, commencing at any time after (i) the cancellation of all of our Series B Preferred Stock or (ii) the transfer for all of our Series B Preferred Stock (collectively, a "Series B Event"). The 15% limitation discussed above, shall terminate upon the occurrence of a Series B Event. The Series E Preferred Stock is transferable only to the holder's immediate family members and to affiliated persons or entities, with the prior consent of the Company.

Class A Warrants and Class B Warrants

Exercisability. The Class A Warrants and Class B Warrants are exercisable at any time after their original issuance up to the date that is five years after their original issuance. Each of the Class A Warrants and the Class B Warrants are exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice and, at any time a registration statement registering the issuance of the common shares underlying the Class A Warrants and the Class B Warrants under the Securities Act is effective and available for the issuance of such shares, or an exemption from registration under the Securities Act is available for the issuance of such shares, by payment in full in immediately available funds for the number of common shares purchased upon such exercise. If a registration statement registering the issuance of the common shares underlying the Class A Warrants or the Class B Warrants under the Securities Act is not effective or available and an exemption from registration under the Securities Act is not available for the issuance of such shares, the holder may, in its sole discretion, elect to exercise the Class A Warrant or the Class B Warrant through a cashless exercise, in which case the holder would receive upon such exercise the net number of common shares determined according to the formula set forth in the Class A Warrant or the Class B Warrant. No fractional common shares will be issued in connection with the exercise of a Class A Warrant or the Class B Warrant. In lieu of fractional shares, we will pay the holder an amount in cash equal to the fractional amount multiplied by the exercise price.

Exercise Limitation. A holder will not have the right to exercise any portion of the Class A Warrants or the Class B Warrants if the holder (together with its affiliates) would beneficially own in excess of 4.99% (or, upon election by a holder prior to the issuance of any pre-funded warrants, 9.99%) of the number of shares of our common shares outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the warrants. However, any holder may increase or decrease such percentage to any other percentage not in excess of 9.99%, upon at least 61 days' prior notice from the holder to us with respect to any increase in such percentage.

Exercise Price. The exercise price per whole common share purchasable upon exercise of the Class B Warrants is $20.20 per share. The exercise price per whole common share purchasable upon exercise of the Class A Warrants is $154.00 per share, as adjusted for the reverse stock splits effected on December 22, 2022 and June 8, 2023. The exercise price and number of common shares issuable upon exercise will adjust in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our common shares.

Transferability. Subject to applicable laws, the Class A Warrants, Class B Warrants and the pre-funded warrants may be offered for sale, sold, transferred or assigned without our consent.

Exchange Listing. We do not intend to apply for the listing of the Class A Warrants or the Class B Warrants offered in their respective offerings on any stock exchange. Without an active trading market, the liquidity of the Class A Warrants and the Class B Warrants will be limited.

Rights as a Shareholder. Except as otherwise provided in the Class A Warrants, Class B Warrants or the pre-funded warrants or by virtue of such holder's ownership of our common shares, the holder of a Class A Warrant, Class B Warrant or pre-funded warrant does not have the rights or privileges of a holder of our common shares, including any voting rights, until the holder exercises the warrant.

Fundamental Transactions. In the event of a fundamental transaction, as described in the Class A Warrants, Class B Warrants, and the pre-funded warrants and generally including, with certain exceptions, any reorganization, recapitalization or reclassification of our common shares, the sale, transfer or other disposition of all or substantially all of our properties or assets, our consolidation or merger with or into another person, the acquisition of more than 50% of our outstanding common shares, or any person or group becoming the beneficial owner of 50% of the voting power represented by our outstanding common shares, the holders of the Class A Warrants, Class B Warrants, and the pre-funded warrants will be entitled to receive upon exercise of the warrants the kind and amount of securities, cash or other property that the holders would have received had they exercised the warrants immediately prior to such fundamental transaction. Additionally, as more fully described in the Class A Warrants, Class B Warrants, and the pre-funded warrants , in the event of certain fundamental transactions, the holders of the Class A Warrants, Class B Warrants, and the pre-funded warrants will be entitled to receive consideration in an amount equal to the Black Scholes value of the Class A Warrants, Class B Warrants, and the pre-funded warrants on the date of consummation of such transaction.

Governing Law. The Class A Warrants and Class B Warrants and Warrant Agreement are governed by New York law.

OCEANPAL INC.

2021 EQUITY INCENTIVE PLAN

(effective November 8, 2021, as amended and restated on April 10, 2024)

ARTICLE I

General

1.1 Purpose

The OceanPal Inc. 2021 Equity Incentive Plan (the "Plan") is designed to provide certain Key Persons (as defined below), whose initiative and efforts are deemed to be important to the successful conduct of the business of OceanPal Inc. (the "Company"), with incentives to (a) acquire a proprietary interest in the success of the Company, (b) maximize their performance in respect of the provision of their services to the Company, a Subsidiary (as defined below) and/or an Affiliate (as defined below) and (c) enhance the long-term performance of the Company.

1.2 Administration

(a) Administration. The Plan shall be administered by the Compensation Committee of the Company's Board of Directors (the "Board") or such other committee of the Board as may be designated by the Board to administer the Plan (the Compensation Committee or such other committee, as applicable, the "Administrator"); provided that (i) in the event the Company is subject to Section 16 of the U.S. Securities Exchange Act of 1934, as amended (the "1934 Act"), the Administrator shall be composed of two or more directors, each of whom is a "Non-Employee Director" (a "Non-Employee Director") under Rule 16b-3 (as promulgated and interpreted by the Securities and Exchange Commission (the "SEC") under the 1934 Act, or any successor rule or regulation thereto as in effect from time to time ("Rule 16b-3")), and (ii) the Administrator shall be composed solely of two or more directors who are "independent directors" under the rules of any stock exchange on which the Company's Common Stock (as defined below) is traded; provided further, however, that, (A) prior to the date of the consummation of an initial listing of the Company's Common Stock, if any, the Administrator may be composed of one or more members of the Board, as determined by the Board, (B) the requirement in the preceding clause (i) shall apply only when required to exempt an Award (as defined below) intended to qualify for an exemption under the applicable provisions referenced therein, (C) the requirement in the preceding clause (ii) shall apply only when required pursuant to the applicable rules of the applicable stock exchange and (D) if at any time the Administrator is not so composed as required by the preceding provisions of this sentence, that fact will not invalidate any grant made, or action taken, by the Administrator hereunder that otherwise satisfies the terms of the Plan. Subject to the terms of the Plan, applicable law and the applicable rules and regulations of any stock exchange on which the Common Stock is listed for trading, and in addition to other express powers and authorizations conferred on the Administrator by the Plan, the Administrator shall have the full power and authority to: (1) designate the Key Persons to receive Awards under the Plan; (2) determine the types of Awards granted to a participant under the Plan; (3) determine the number of shares to be covered by, or with respect to which payments, rights or other matters are to be calculated with respect to, Awards; (4) determine the terms and conditions of any Awards; (5) determine whether, and to what extent, and under what circumstances, Awards may be settled or exercised in cash, shares, other securities, other Awards or other property, or cancelled, forfeited or suspended, and the methods by which Awards may be settled, exercised, cancelled, forfeited or suspended; (6) determine whether, to what extent, and under what circumstances cash, shares, other securities, other Awards, other property and other amounts payable with respect to an Award shall be deferred, either automatically or at the election of the holder thereof or the Administrator; (7) construe, interpret and implement the Plan and any Award Agreement (as defined below); (8) prescribe, amend, rescind or waive rules and regulations relating to the Plan, including rules governing its operation, and appoint such agents as it shall deem appropriate for the proper administration of the Plan; (9) correct any defect, supply any omission and reconcile any inconsistency in the Plan or any Award Agreement; and (10) make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of the Plan. Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations and other decisions under or with respect to the Plan or any Award shall be within the sole discretion of the Administrator, may be made at any time and shall be final, conclusive and binding upon all Persons (as defined below).

(b) General Right of Delegation. Except to the extent prohibited by applicable law, the applicable rules of a stock exchange or any charter, by-laws or other agreement governing the Administrator, the Administrator may delegate all or any part of its responsibilities to any Person or Persons selected by it; provided, however, that in no event shall an officer of the Company be delegated the authority to grant Awards to, or amend Awards held by, the following individuals: (i) individuals who are subject to Section 16 of the 1934 Act, to the extent applicable, or (ii) officers of the Company to whom authority to grant or amend Awards has been delegated hereunder or directors of the Company; provided, further , that any delegation of administrative authority shall only be permitted to the extent it is permissible under applicable securities laws (including, without limitation, Rule 16b-3, to the extent applicable) and the rules of any applicable stock exchange. Any delegation hereunder shall be subject to the restrictions and limits that the Administrator specifies at the time of such delegation, and the Administrator may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 1.2(b) shall serve in such capacity at the pleasure of the Administrator.

(c) Indemnification. No member of the Board, the Administrator or any officer or employee of the Company or any Subsidiary or any Affiliate or any of their agents (each such Person, a "Covered Person") shall be liable for any action taken or omitted to be taken, or any determination made, in good faith on behalf of the Company with respect to the Plan or any Award hereunder. Each Covered Person shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered Person may be a party or in which such Covered Person may be involved by reason of any action taken or omitted to be taken under the Plan or any Award Agreement and (ii) any and all amounts paid by such Covered Person, with the Company's approval, in settlement thereof, or paid by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person; provided that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the Company's choice. The foregoing right of indemnification shall not be available to a Covered Person to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case not subject to further appeal, determines that the acts or omissions of such Covered Person giving rise to the indemnification claim resulted from such Covered Person's bad faith, fraud or willful criminal act or omission or that such right of indemnification is otherwise prohibited by law or by the Company's articles of incorporation or bylaws (in each case, as amended and/or restated). The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which Covered Persons may be entitled under the Company's articles of incorporation or bylaws (in each case, as amended and/or restated), as a matter of law, or otherwise, or any other power that the Company may have to indemnify such Persons or hold them harmless.

(d) Delegation of Authority to Senior Officers. The Administrator may, in accordance with and subject to the terms of Section 1.2(b), delegate, on such terms and conditions as it determines, to one or more senior officers of the Company the authority to make grants of Awards to Key Persons who are employees of the Company or any Subsidiary (including any such prospective employee) and consultants or service providers to (including Persons who are employed by or provide services to any entity that is itself a consultant or service provider to) the Company or any Subsidiary.

(e) Awards to Non-Employee Directors. Notwithstanding anything to the contrary contained herein, the Board may, in its sole discretion, at any time and from time to time, grant Awards to Non-Employee Directors or administer the Plan with respect to such Awards. In any such case, the Board shall have all the authority and responsibility granted to the Administrator herein with respect to such Awards.

1.3 Persons Eligible for Awards

The Persons eligible to receive Awards under the Plan are those directors, officers and employees (including any prospective officer or employee) of the Company or a Subsidiary or an Affiliate and consultants and service providers to (including Persons who are employed by or provide services to any entity that is itself a consultant or service provider to) the Company or a Subsidiary or an Affiliate (collectively, "Key Persons") as the Administrator shall select.

1.4 Types of Awards

Awards may be made under the Plan in the form of (a) non-qualified stock options (i.e., stock options that are not "incentive stock options" for purposes of Sections 421 and 422 of the Code (as defined below)), (b) stock appreciation rights, (c) restricted stock, (d) restricted stock units, (e) unrestricted stock, (f) other equity-based or equity-related awards, (g) dividend equivalents and (h) cash awards, all as more fully set forth in the Plan. The term "Award" means any of the foregoing that are granted under the Plan.

1.5 Shares Available for Awards; Adjustments for Changes in Capitalization

(a) Maximum Number. Subject to adjustment as provided in Section 1.5(c):

The maximum aggregate number of shares of common stock of the Company, par value $0.01 ("Common Stock"), that may be delivered pursuant to Awards granted under the Plan shall be 2,000,000 and the maximum aggregate number of shares of 8.0% Series C Cumulative Convertible Perpetual Preferred Stock of the Company, par value $0.01 per share ("Preferred Stock"), that may be delivered pursuant to Awards granted under the Plan shall be 10,000. The following shares of Common Stock and Preferred Stock shall again become available for Awards under the Plan:

1. any shares that are subject to an Award under the Plan and that remain unissued upon the cancellation or termination of such Award for any reason whatsoever;

2. any shares of restricted stock forfeited pursuant to the Plan or the applicable Award Agreement; provided that any dividend equivalent rights with respect to such shares that have not theretofore been directly remitted to the grantee are also forfeited; and

3. any shares in respect of which an Award is settled for cash without the delivery of shares to the grantee.

Any shares that are held back to satisfy the exercise price or tax withholding obligation pursuant to any stock options or stock appreciation rights granted under the Plan shall again become available to be delivered pursuant to Awards under the Plan. Awards that are payable solely in cash shall not be counted against the aggregate number of shares of Common Stock and Preferred Stock available for Awards under the Plan.

(b) Source of Shares. Shares issued pursuant to the Plan may be authorized but unissued Common Stock, Preferred Stock or treasury shares. The Administrator may direct that any stock certificate or book entry interest evidencing shares issued pursuant to the Plan shall bear a legend setting forth such restrictions on transferability as may apply to such shares.

(c) Adjustments. (i) In the event that any dividend or other distribution (whether in the form of cash, Company shares, other securities or other property), stock split, reverse stock split, reorganization, merger, consolidation, split-up, combination, repurchase or exchange of Company shares or other securities of the Company, issuance of warrants or other rights to purchase Company shares or other securities of the Company, or other similar corporate transaction or event affects the Company shares such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to an Award, then, subject to the provisions of Section 1.5(c)(iv) below, the Administrator shall, in such manner as it may deem equitable, adjust any or all of the number of shares or other securities of the Company (or number and kind of other securities or property) with respect to which Awards may be granted under the Plan.

(i) The Administrator shall make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or infrequently occurring events (including the events described in Section 1.5(c)(i) or the occurrence of a Change in Control (as defined below), subject to the provisions of Section 1.5(c)(iv) below) affecting the Company, a Subsidiary or an Affiliate, or the financial statements of the Company, a Subsidiary or an Affiliate, or of changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange, accounting principles or law, whenever the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to an Award, including providing for (A) adjustment to (1) the number of shares or other securities of the Company (or number and kind of other securities or property) subject to outstanding Awards or to which outstanding Awards relate and (2) the Exercise Price (as defined below) with respect to any Award and (B) a substitution or assumption of Awards, accelerating the exercisability or vesting of, or lapse of restrictions on, Awards, or accelerating the termination of Awards by providing for a period of time for exercise prior to the occurrence of such event, or, if deemed appropriate or desirable, providing for a cash payment to the holder of an outstanding Award in consideration for the cancellation of such Award (it being understood that, in such event, any option or stock appreciation right having a per share Exercise Price equal to, or in excess of, the Fair Market Value (as defined below) of a share subject to such option or stock appreciation right may be cancelled and terminated without any payment or consideration therefor); provided, however , that with respect to options and stock appreciation rights, unless otherwise determined by the Administrator, such adjustment shall be made in accordance with the provisions of Section 424(h) of the Code.

(ii) In the event of ((A) a dissolution or liquidation of the Company, (B) a sale of all or substantially all the Company's assets or (C) a merger, reorganization or consolidation involving the Company or a Subsidiary, the Administrator shall have the power to:

(1) provide that outstanding options, stock appreciation rights, restricted stock units (including any related dividend equivalent right) and/or other Awards granted under the Plan shall either continue in effect, be assumed or an equivalent award shall be substituted therefor by the successor entity or a parent or subsidiary entity;

(2) cancel, effective immediately prior to the occurrence of such event, options, stock appreciation rights, restricted stock units (including each dividend equivalent right related thereto) and/or other Awards granted under the Plan outstanding immediately prior to such event (whether or not then exercisable) and, in full consideration of such cancellation, pay to the holder of such Award a cash payment in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Administrator) of the shares subject to such Award (or the value of such Award, as determined by the Administrator, if not based on the Fair Market Value of shares) over the aggregate Exercise Price of such Award (or the grant price of such Award, if any, if applicable)(it being understood that, in such event, any option or stock appreciation right having a per share Exercise Price equal to, or in excess of, the Fair Market Value of a share subject to such option or stock appreciation right may be cancelled and terminated without any payment or consideration therefor); or

(3) notify the holder of an option or stock appreciation right in writing or electronically that each option and stock appreciation right shall be fully vested and exercisable for a period of 30 days from the date of such notice, or such shorter period as the Administrator may determine to be reasonable, and the option or stock appreciation right shall terminate upon the expiration of such period (which period shall expire no later than immediately prior to the consummation of the corporate transaction).

(iii) In connection with the occurrence of any Equity Restructuring (as defined below), and notwithstanding anything to the contrary in this Section 1.5(c):

(A) The number and type of securities or other property subject to each outstanding Award and the Exercise Price or grant price thereof, if applicable, shall be equitably adjusted; and

(B) The Administrator shall make such equitable adjustments, if any, as the Administrator may deem appropriate to reflect such Equity Restructuring with respect to the aggregate number and kind of shares that may be issued under the Plan (including, but not limited to, adjustment of the limitation set forth in Section 1.5(a)). The adjustments provided under this Section 1.5(c)(iv) shall be nondiscretionary and shall be final and binding on the affected participant and the Company.

1.6 Definitions of Certain Terms

(a) "Affiliate" shall mean (i) any entity that, directly or indirectly, is controlled by, controls or is under common control with, the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Administrator.

(b) Unless otherwise specifically set forth in the applicable Award Agreement, in connection with a termination of employment or consultancy/service relationship, for purposes of the Plan, the term "for Cause" shall be defined as follows:

(i) if there is an employment, severance, consulting, service, change in control or other agreement governing the relationship between the grantee, on the one hand, and the Company or a Subsidiary or an Affiliate, on the other hand, that contains a definition of "cause" (or similar phrase), for purposes of the Plan, the term "for Cause" shall mean those acts or omissions that would constitute "cause" under such agreement; or

(ii) if the preceding clause (i) is not applicable to the grantee, for purposes of the Plan, the term "for Cause" shall mean any of the following:

Any rights the Company or any Subsidiary or any Affiliate may have under the Plan in respect of the events giving rise to a termination "for Cause" shall be in addition to any other rights the Company or any Subsidiary or any Affiliate may have under any other agreement with a grantee or at law or in equity. Any determination of whether a grantee's employment or consultancy/service relationship is (or is deemed to have been) terminated "for Cause" shall be made by the Administrator. If, subsequent to a grantee's voluntary termination of employment or consultancy/service relationship or involuntary termination of employment or consultancy/service relationship without Cause, it is discovered that the grantee's employment or consultancy/service relationship could have been terminated "for Cause", the Administrator may deem such grantee's employment or consultancy/service relationship to have been terminated "for Cause" upon such discovery and determination by the Administrator.

(A) any failure by the grantee substantially to perform the grantee's employment or consulting/service or Board membership duties;

(B) any excessive unauthorized absenteeism by the grantee;

(C) any refusal by the grantee to obey the lawful orders of the Board or any other Person to whom the grantee reports;

(D) any act or omission by the grantee that is or may be injurious to the Company or any Subsidiary or any Affiliate, whether monetarily, reputationally or otherwise;

(E) any act by the grantee that is inconsistent with the best interests of the Company or any Subsidiary or any Affiliate;

(F) the grantee's gross negligence that is injurious to the Company or any Subsidiary or any Affiliate, whether monetarily, reputationally or otherwise;

(G) the grantee's material violation of any of the policies of the Company or any Subsidiary or any Affiliate, as applicable, including, without limitation, those policies relating to discrimination or sexual harassment;

(H) the grantee's material breach of his or her employment or service contract with the Company or any Subsidiary or any Affiliate;

(I) the grantee's unauthorized (1) removal from the premises of the Company or any Subsidiary or any Affiliate of any document (in any medium or form) relating to the Company or any Subsidiary or any Affiliate or the customers or clients of the Company or any Subsidiary or any Affiliate or (2) disclosure to any Person of any of the Company's, any Subsidiary's or any Affiliate's confidential or proprietary information;

(J) the grantee's being convicted of, or entering a plea of guilty or nolo contendere to, any crime that constitutes a felony or involves moral turpitude; and

(K) the grantee's commission of any act involving dishonesty or fraud.

(c) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(d) Unless otherwise specifically set forth in the applicable Award Agreement, "Disability" shall mean the grantee's being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or the grantee's, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the grantee's employer. The existence of a Disability shall be determined by the Administrator.

(e) "Equity Restructuring" shall mean a non-reciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the shares of Common Stock (or other securities of the Company) or the share price thereof and causes a change in the per share value of the shares underlying outstanding Awards.

(f) "Exercise Price" shall mean (i) in the case of options, the price specified in the applicable Award Agreement as the price-per-share at which such share can be purchased pursuant to the option or (ii) in the case of stock appreciation rights, the price specified in the applicable Award Agreement as the reference price-per-share used to calculate the amount payable to the grantee.

(g) The "Fair Market Value" of a share of Common Stock on any day shall be the closing price on the Nasdaq Capital Market, or such other primary stock exchange upon which such shares are then listed, as reported for such day in The Wall Street Journal (or, if not reported in The Wall Street Journal, such other reliable source as the Administrator may determine), or, if no such price is reported for such day, the average of the high bid and low asked price of Common Stock as reported for such day. If no quotation is made for the applicable day, the Fair Market Value of a share of Common Stock on such day shall be determined in the manner set forth in the preceding sentence for the next preceding trading day. Notwithstanding the foregoing, if there is no reported closing price or high bid/low asked price that satisfies the preceding sentences, or if otherwise deemed necessary or appropriate by the Administrator, the Fair Market Value of a share of Common Stock on any day shall be determined by such methods and procedures as shall be established from time to time by the Administrator. The "Fair Market Value" of any property other than Common Stock shall be the fair market value of such property determined by such methods and procedures as shall be established from time to time by the Administrator.

(h) "Person" shall mean any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, governmental body or other entity of any kind.

(i) "Repricing" shall mean (i) lowering the Exercise Price of an option or a stock appreciation right after it has been granted, (ii) the cancellation of an option or a stock appreciation right in exchange for cash or another Award when the Exercise Price exceeds the Fair Market Value of the underlying shares subject to the Award and (iii) any other action with respect to an option or a stock appreciation right that is treated as a repricing under (A) generally accepted accounting principles or (B) any applicable stock exchange rules.

(j) "Subsidiary" shall mean any entity in which the Company, directly or indirectly, has a 50% or more equity interest.

ARTICLE II

Awards Under The Plan

2.1 Agreements Evidencing Awards

Each Award granted under the Plan shall be evidenced by a written certificate ("Award Agreement"), which shall contain such provisions as the Administrator may deem necessary or desirable and which may, but need not, require execution or acknowledgment by a grantee. The Award shall be subject to all of the terms and provisions of the Plan and the applicable Award Agreement.

2.2 Grant of Stock Options and Stock Appreciation Rights

(a) Stock Option Grants. The Administrator may grant non-qualified stock options ("options") to purchase shares of Common Stock from the Company to such Key Persons, and in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Administrator shall determine, subject to the provisions of the Plan. No option will be treated as an "incentive stock option" for purposes of the Code. It shall be the intent of the Administrator to not grant an Award in the form of stock options to any Key Person who is then subject to the requirements of Section 409A of the Code with respect to such Award if the Common Stock underlying such Award does not then qualify as "service recipient stock" for purposes of Section 409A. Furthermore, it shall be the intent of the Administrator, in granting options to Key Persons who are subject to Sections 409A and/or 457A of the Code, to structure such options so as to comply with the requirements of Sections 409A and/or 457A of the Code, to the extent applicable.

(b) Stock Appreciation Right Grants; Types of Stock Appreciation Rights. The Administrator may grant stock appreciation rights to such Key Persons, and in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Administrator shall determine, subject to the provisions of the Plan. The terms of a stock appreciation right may provide that it shall be automatically exercised for a payment upon the happening of a specified event that is outside the control of the grantee and that it shall not be otherwise exercisable. Stock appreciation rights may be granted in connection with all or any part of, or independently of, any option granted under the Plan. It shall be the intent of the Administrator to not grant an Award in the form of stock appreciation rights to any Key Person (i) who is then subject to the requirements of Section 409A of the Code with respect to such Award if the Common Stock underlying such Award does not then qualify as "service recipient stock" for purposes of Section 409A or (ii) if such Award would create adverse tax consequences for such Key Person under Section 457A of the Code. Furthermore, it shall be the intent of the Administrator, in granting stock appreciation rights to Key Persons who are subject to Sections 409A and/or 457A of the Code, to structure such stock appreciation rights so as to comply with the requirements of Sections 409A and/or 457A of the Code, to the extent applicable.

(c) Nature of Stock Appreciation Rights. The grantee of a stock appreciation right shall have the right, subject to the terms of the Plan and the applicable Award Agreement, to receive from the Company an amount equal to (i) the excess of the Fair Market Value of a share of Common Stock on the date of exercise of the stock appreciation right over the Exercise Price of the stock appreciation right, multiplied by (ii) the number of shares with respect to which the stock appreciation right is exercised. Each Award Agreement with respect to a stock appreciation right shall set forth the Exercise Price of such Award and, unless otherwise specifically provided in the Award Agreement, the Exercise Price of a stock appreciation right shall equal the Fair Market Value of a share of Common Stock on the date of grant; provided that in no event may such Exercise Price be less than the greater of (A) the Fair Market Value of a share of Common Stock on the date of grant and (B) the par value of a share of Common Stock. Payment upon exercise of a stock appreciation right shall be in cash or in shares of Common Stock (valued at their Fair Market Value on the date of exercise of the stock appreciation right) or any combination of both, all as the Administrator shall determine. Repricing of stock appreciation rights granted under the Plan shall not be permitted (1) to the extent such action could cause adverse tax consequences to the grantee under Section 409A or 457A of the Code, to the extent applicable, or (2) without prior shareholder approval, to the extent such approval would be required to be obtained by the Company pursuant to the applicable rules of any applicable stock exchange on which the Common Stock is then listed, and any action that would be deemed to result in a Repricing of a stock appreciation right shall be deemed null and void if it would cause such adverse tax consequences or if any requisite shareholder approval related thereto is not obtained prior to the effective time of such action. Upon the exercise of a stock appreciation right granted in connection with an option, the number of shares subject to the option shall be reduced by the number of shares with respect to which the stock appreciation right is exercised. Upon the exercise of an option in connection with which a stock appreciation right has been granted, the number of shares subject to the stock appreciation right shall be reduced by the number of shares with respect to which the option is exercised.

(d) Option Exercise Price. Each Award Agreement with respect to an option shall set forth the Exercise Price of such Award and, unless otherwise specifically provided in the Award Agreement, the Exercise Price of an option shall equal the Fair Market Value of a share of Common Stock on the date of grant; provided that in no event may such Exercise Price be less than the greater of (i) the Fair Market Value of a share of Common Stock on the date of grant and (ii) the par value of a share of Common Stock. Repricing of options granted under the Plan shall not be permitted (1) to the extent such action could cause adverse tax consequences to the grantee under Section 409A or 457A of the Code, to the extent applicable, or (2) without prior shareholder approval, to the extent such approval would be required to be obtained by the Company pursuant to the applicable rules of any applicable stock exchange on which the Common Stock is then listed, and any action that would be deemed to result in a Repricing of an option shall be deemed null and void if it would cause such adverse tax consequences or if any requisite shareholder approval related thereto is not obtained prior to the effective time of such action.

2.3 Exercise of Options and Stock Appreciation Rights

Subject to the other provisions of this Article II and the Plan, each option and stock appreciation right granted under the Plan shall be exercisable as follows:

(a) Timing and Extent of Exercise. Options and stock appreciation rights shall be exercisable at such times and under such conditions as determined by the Administrator and set forth in the corresponding Award Agreement, but in no event shall any portion of such Award be exercisable subsequent to the tenth anniversary of the date on which such Award was granted. Unless the applicable Award Agreement otherwise specifically provides, an option or stock appreciation right may be exercised from time to time as to all or part of the shares as to which such Award is then exercisable.

(b) Notice of Exercise. An option or stock appreciation right shall be exercised by the filing of a written notice with the Company or the Company's designated exchange agent (the "Exchange Agent"), on such form and in such manner as the Administrator shall prescribe.

(c) Payment of Exercise Price. Any written notice of exercise of an option shall be accompanied by payment for the shares being purchased. Such payment shall be made: (i) by certified or official bank check (or the equivalent thereof acceptable to the Company or its Exchange Agent) for the full option Exercise Price; (ii) with the consent of the Administrator, which consent shall be given or withheld in the sole discretion of the Administrator, by withholding of shares of Common Stock having a Fair Market Value (determined as of the exercise date) equal to all or part of the option Exercise Price and a certified or official bank check (or the equivalent thereof acceptable to the Company or its Exchange Agent) for any remaining portion of the full option Exercise Price; or (iii) at the sole discretion of the Administrator and to the extent permitted by law, by such other provision, consistent with the terms of the Plan, as the Administrator may from time to time prescribe (whether directly or indirectly through the Exchange Agent), or by any combination of the foregoing payment methods.

(d) Delivery of Certificates Upon Exercise. Subject to Sections 3.2, 3.4 and 3.13, promptly after receiving payment of the full option Exercise Price, or after receiving notice of the exercise of a stock appreciation right for which the Administrator determines payment will be made partly or entirely in shares, the Company or its Exchange Agent shall (i) deliver to the grantee, or to such other Person as may then have the right to exercise the Award, a certificate or certificates for the shares of Common Stock for which the Award has been exercised or, in the case of stock appreciation rights, for which the Administrator determines will be made in shares or (ii) establish an account evidencing ownership of the stock in uncertificated form for the shares of Common Stock for which the Award has been exercised or, in the case of stock appreciation rights, for which the Administrator determines will be made in shares. If the method of payment employed upon an option exercise so requires, and if applicable law permits, an optionee may direct the Company or its Exchange Agent, as the case may be, to deliver the stock certificate(s) to the optionee's stockbroker.

(e) No Stockholder Rights. No grantee of an option or stock appreciation right (or other Person having the right to exercise such Award) shall have any of the rights of a stockholder of the Company with respect to shares subject to such Award until the issuance of a stock certificate to such Person for such shares or an account in the name of the grantee evidences ownership of stock in uncertificated form. Except as otherwise provided in Section 1.5(c), no adjustment shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate is issued or the date an account evidencing ownership of the stock in uncertificated form notes receipt of such stock.

2.4 Termination of Employment/Service; Death Subsequent to a Termination of Employment/Service

(a) General Rule. Except to the extent otherwise provided in paragraphs (b), (c), (d), (e) or (f) of this Section 2.4 or Section 3.5(b)(iii), a grantee who incurs a termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates may exercise any outstanding option or stock appreciation right on the following terms and conditions: (i) exercise may be made only to the extent that the grantee was entitled to exercise the Award on the date of termination of employment or consultancy/service relationship, as applicable; and (ii) exercise must occur within three months after termination of employment or consultancy/service relationship but in no event after the original expiration date of the Award; it being understood that then outstanding options and stock appreciation rights shall not be affected by a change of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates so long as the grantee continues to be a director, officer or employee of, or a consultant or service provider to (or a Person employed by or providing services to any entity that is itself a consultant or service provider to), the Company or any of its Subsidiaries or Affiliates.

(b) Termination "for Cause". If a grantee incurs a termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates "for Cause", all options and stock appreciation rights not theretofore exercised (whether vested or unvested) shall immediately terminate upon such termination of employment or consultancy/service relationship.

(c) Retirement. If a grantee incurs a termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates as the result of his or her retirement (as defined below), then any outstanding option or stock appreciation right shall, to the extent exercisable at the time of such retirement, remain exercisable for a period of three years after such retirement; provided that in no event may such option or stock appreciation right be exercised following the original expiration date of the Award. For this purpose, unless otherwise specifically set forth in the applicable Award Agreement, "retirement" shall mean a grantee's resignation of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates, with the Company's or its applicable Subsidiary's or Affiliate's prior consent, on or after (i) his or her 65th birthday, (ii) the date on which he or she has attained age 60 and completed at least five years of service with the Company or one or more of its Subsidiaries or Affiliates (using any method of calculation the Administrator deems appropriate) or (iii) if approved by the Administrator, on or after his or her having completed at least 20 years of service with the Company or one or more of its Subsidiaries or Affiliates (using any method of calculation the Administrator deems appropriate).

(d) Disability. If a grantee incurs a termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates by reason of a Disability, then any outstanding option or stock appreciation right shall, to the extent exercisable at the time of such termination, remain exercisable for a period of one year after such termination; provided that in no event may such option or stock appreciation right be exercised following the original expiration date of the Award.

(e) Death.

(i) *Termination of Employment/Service as a Result of Grantee's Death.* If a grantee incurs a termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates as the result of his or her death, then any outstanding option or stock appreciation right shall, to the extent exercisable at the time of such death, remain exercisable for a period of one year after such death; provided that in no event may such option or stock appreciation right be exercised following the original expiration date of the Award.

(ii) *Restrictions on Exercise Following Death.* Any exercise of an Award following a grantee's death shall be made only by the grantee's executor or administrator or other duly appointed representative reasonably acceptable to the Administrator, unless the grantee's will specifically disposes of such Award, in which case such exercise shall be made only by the recipient of such specific disposition. If a grantee's personal representative or the recipient of a specific disposition under the grantee's will shall be entitled to exercise any Award pursuant to the preceding sentence, such representative or recipient shall be bound by all the terms and conditions of the Plan and the applicable Award Agreement which would have applied to the grantee.

(f) Administrator Discretion. The Administrator may, in writing, waive or modify the application of the foregoing provisions of this Section 2.4, subject to Section 3.1(c).

2.5 Transferability of Options and Stock Appreciation Rights

Except as otherwise specifically provided in this Plan or the applicable Award Agreement evidencing an option or stock appreciation right, during the lifetime of a grantee, each such Award granted to a grantee shall be exercisable only by the grantee, and no such Award may be sold, assigned, transferred, pledged or otherwise encumbered or disposed of other than by will or by the laws of descent and distribution. The Administrator may, in any applicable Award Agreement evidencing an option or stock appreciation right, permit a grantee to transfer all or some of the options or stock appreciation rights to (a) the grantee's spouse, children or grandchildren ("Immediate Family Members"), (b) a trust or trusts for the exclusive benefit of such Immediate Family Members or (c) other parties approved by the Administrator. Following any such transfer, any transferred options and stock appreciation rights shall continue to be subject to the same terms and conditions as were applicable immediately prior to the transfer.

2.6 Grant of Restricted Stock

(a) Restricted Stock Grants. The Administrator may grant restricted shares of Common Stock and Preferred Stock to such Key Persons, in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions as the Administrator shall determine, subject to the provisions of the Plan. A grantee of a restricted stock Award shall have no rights with respect to such Award unless such grantee accepts the Award within such period as the Administrator shall specify by accepting delivery of a restricted stock Award Agreement in such form as the Administrator shall determine.

(b) Issuance of Stock Certificate. Promptly after a grantee accepts a restricted stock Award in accordance with Section 2.6(a), subject to Sections 3.2, 3.4 and 3.13, the Company or its Exchange Agent shall issue to the grantee a stock certificate or stock certificates for the shares of Common Stock and Preferred Stock covered by the Award or shall establish an account evidencing ownership of the stock in uncertificated form. Upon the issuance of such stock certificates, or establishment of such account, the grantee shall have the rights of a stockholder with respect to the restricted stock, subject to: (i) the nontransferability restrictions and forfeiture provisions described in the Plan (including paragraphs (d) and (e) of this Section 2.6); (ii) in the Administrator's sole discretion, a requirement, as set forth in the Award Agreement, that any dividends paid on such shares shall be held in escrow and, unless otherwise determined by the Administrator, shall remain forfeitable until all restrictions on such shares have lapsed; and (iii) any other restrictions and conditions contained in the applicable Award Agreement.

(c) Custody of Stock Certificate. Unless the Administrator shall otherwise determine, any stock certificates issued evidencing shares of restricted stock shall remain in the possession of the Company (or such other custodian as may be designated by the Administrator) until such shares are free of any restrictions specified in the applicable Award Agreement. The Administrator may direct that such stock certificates bear a legend setting forth the applicable restrictions on transferability.

(d) Nontransferability. Shares of restricted stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of prior to the lapsing of all restrictions thereon, except as otherwise specifically provided in this Plan or the applicable Award Agreement. The Administrator at the time of grant shall specify the date or dates (which may depend upon or be related to the attainment of performance goals and other conditions) on which the nontransferability of the restricted stock shall lapse.

(e) Consequence of Termination of Employment/Service. Unless otherwise specifically set forth in the applicable Award Agreement, (i) a grantee's termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates for any reason other than death or Disability shall cause the immediate forfeiture of all shares of restricted stock that have not yet vested as of the date of such termination of employment or consultancy/service relationship and (ii) if a grantee incurs a termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates as the result of his or her death or Disability, all shares of restricted stock that have not yet vested as of the date of such termination shall immediately vest as of such date; it being understood that then outstanding restricted stock Awards shall not be affected by a change of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates so long as the grantee continues to be a director, officer or employee of, or a consultant or service provider to (or a Person employed by or providing services to any entity that is itself a consultant or service provider to), the Company or any of its Subsidiaries or Affiliates. All dividends paid on shares forfeited under this Section 2.6(e) that have not theretofore been directly remitted to the grantee shall also be forfeited, whether by termination of any escrow arrangement under which such dividends are held or otherwise. The Administrator may, in writing, waive or modify the application of the foregoing provisions of this Section 2.6(e), subject to Section 3.1(c).

2.7 Grant of Restricted Stock Units

(a) Restricted Stock Unit Grants. The Administrator may grant restricted stock units to such Key Persons, and in such amounts and subject to such vesting and forfeiture provisions and other terms and conditions, as the Administrator shall determine, subject to the provisions of the Plan. A restricted stock unit granted under the Plan shall confer upon the grantee a right to receive from the Company, conditioned upon the occurrence of such vesting event as shall be determined by the Administrator and specified in the Award Agreement, the number of such grantee's restricted stock units that vest upon the occurrence of such vesting event multiplied by the Fair Market Value of a share of Common Stock or Preferred Stock, as applicable, on the date of vesting. Payment upon vesting of a restricted stock unit shall be in cash or in shares of Common Stock or Preferred Stock, as applicable (valued at their Fair Market Value on the date of vesting) or both, all as the Administrator shall determine, and such payments shall be made to the grantee at such time as provided in the Award Agreement, which the Administrator shall intend to be (i) if Section 409A of the Code is applicable with respect to Awards granted to the grantee, within the period required by Section 409A such that it qualifies as a "short-term deferral" pursuant to Section 409A and the Treasury Regulations issued thereunder, unless the Administrator shall provide for deferral of the Award intended to comply with Section 409A, (ii) if Section 457A of the Code is applicable with respect to Awards granted to the grantee, within the period required by Section 457A(d)(3)(B) such that it qualifies for the exemption thereunder, or (iii) if Sections 409A and 457A of the Code are not applicable with respect to Awards granted to the grantee, at such time as determined by the Administrator.

(b) Dividend Equivalents. The Administrator may include in any Award Agreement with respect to a restricted stock unit a dividend equivalent right entitling the grantee to receive amounts equal to the ordinary dividends that would be paid, during the time such Award is outstanding and unvested, and/or, if payment of the vested Award is deferred, during the period of such deferral following such vesting event, on the shares of Common Stock or Preferred Stock underlying such Award if such shares were then outstanding. In the event such a provision is included in a Award Agreement, the Administrator shall determine whether such payments shall be (i) paid to the holder of the Award, as specified in the Award Agreement, either (A) at the same time as the underlying dividends are paid, regardless of the fact that the restricted stock unit has not theretofore vested, (B) at the time at which the Award's vesting event occurs, conditioned upon the occurrence of the vesting event, (C) once the Award has vested, at the same time as the underlying dividends are paid, regardless of the fact that payment of the vested restricted stock unit has been deferred, and/or (D) at the time at which the corresponding vested restricted stock units are paid, (ii) made in cash, shares of Common Stock, shares of Preferred Stock or other property and (iii) subject to such other vesting and forfeiture provisions and other terms and conditions as the Administrator shall deem appropriate and as shall be set forth in the Award Agreement.

(c) No Stockholder Rights. No grantee of a restricted stock unit shall have any of the rights of a stockholder of the Company with respect to such Award unless and until a stock certificate is issued with respect to such Award upon the vesting of such Award or an account in the name of the grantee evidences ownership of stock in uncertificated form (it being understood that the Administrator shall determine whether to pay any vested restricted stock unit in the form of cash or Company shares or both), which issuance shall be subject to Sections 3.2, 3.4 and 3.13. Except as otherwise provided in Section 1.5(c), no adjustment to any restricted stock unit shall be made for dividends, distributions or other rights (whether ordinary or extraordinary, and whether in cash, securities or other property) for which the record date is prior to the date such stock certificate, if any, is issued or the date an account evidencing ownership of the stock in uncertificated form notes receipt of such stock.

(d) Nontransferability. No restricted stock unit granted under the Plan may be sold, assigned, transferred, pledged or otherwise encumbered or disposed of, except as otherwise specifically provided in this Plan or the applicable Award Agreement.

(e) Consequence of Termination of Employment/Service. Unless otherwise specifically set forth in the applicable Award Agreement, (i) a grantee's termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates for any reason other than death or Disability shall cause the immediate forfeiture of all restricted stock units that have not yet vested as of the date of such termination of employment or consultancy/service relationship and (ii) if a grantee incurs a termination of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates as the result of his or her death or Disability, all restricted stock units that have not yet vested as of the date of such termination shall immediately vest as of such date; it being understood that then outstanding restricted stock units shall not be affected by a change of employment or consultancy/service relationship with the Company and its Subsidiaries and Affiliates so long as the grantee continues to be a director, officer or employee of, or a consultant or service provider to (or a Person employed by or providing services to any entity that is itself a consultant or service provider to), the Company or any of its Subsidiaries or Affiliates. All dividend equivalent rights on any restricted stock units forfeited under this Section 2.7(e) that have not theretofore been directly remitted to the grantee shall also be forfeited, whether by termination of any escrow arrangement under which such dividends are held or otherwise. The Administrator may, in writing, waive or modify the application of the foregoing provisions of this Section 2.7(e), subject to Section 3.1(c).

2.8 Grant of Unrestricted Stock

The Administrator may grant (or sell at a purchase price at least equal to par value) shares of Common Stock or Preferred Stock free of restrictions under the Plan to such Key Persons and in such amounts and subject to such forfeiture provisions as the Administrator shall determine. Shares may be thus granted or sold in respect of past services or other valid consideration.

2.9 Other Equity-Based or Equity-Related Awards

Subject to the provisions of the Plan (including, without limitation, Section 3.16), the Administrator shall have the sole and complete authority to grant to Key Persons other equity-based or equity-related Awards in such amounts and subject to such terms, conditions, restrictions and forfeiture provisions as the Administrator shall determine; provided that any such Awards must comply with applicable law and, to the extent deemed desirable by the Administrator, Rule 16b-3.

2.10 Dividend Equivalents

Subject to the provisions of the Plan (including, without limitation, Section 3.16), in the discretion of the Administrator, an Award, other than an option or stock appreciation right, may provide the Award recipient with dividends or dividend equivalents, payable in cash, shares, other securities, other Awards or other property, on a current or deferred basis, on such terms and conditions as may be determined by the Administrator, including, without limitation, payment directly to the Award recipient, withholding of such amounts by the Company subject to vesting of the Award, or reinvestment in additional shares, restricted shares or other Awards.

2.11 Grant of Cash Awards

The Administrator may grant Awards that are payable solely in cash to such Key Persons and in such amounts and subject to such terms, conditions, restrictions and forfeiture provisions as the Administrator shall determine. Cash Awards may be thus granted in respect of past services or other valid consideration.

ARTICLE III

Miscellaneous

3.1 Amendment of the Plan; Modification of Awards

(a) Amendment of the Plan. The Board may from time to time suspend, discontinue, revise or amend the Plan in any respect whatsoever, except that no such suspension, discontinuation, revision or amendment shall materially impair any rights or materially increase any obligations under any Award theretofore made under the Plan without the consent of the grantee (or, upon the grantee's death, the Person having the rights to the Award). For purposes of this Section 3.1, any action of the Board or the Administrator that in any way alters or affects the tax treatment of any Award shall not be considered to materially impair any rights of any grantee.

(b) Stockholder Approval Requirement. If required by applicable rules or regulations of a national securities exchange or the SEC, the Company shall obtain stockholder approval with respect to any amendment to the Plan that (i) expands the types of Awards available under the Plan, (ii) materially increases the aggregate number of shares which may be issued under the Plan, except as permitted pursuant to Section 1.5(c), (iii) materially increases the benefits to participants under the Plan, including any material change to (A) permit, or that has the effect of, a Repricing of any outstanding Award, (B) reduce the price at which shares or options to purchase shares may be offered or (C) extend the duration of the Plan, or (iv) materially expands the class of Persons eligible to receive Awards under the Plan.

(c) Modification of Awards. The Administrator may cancel any Award under the Plan. The Administrator also may amend any outstanding Award Agreement, including, without limitation, by amendment which would: (i) accelerate the time or times at which the Award becomes unrestricted, vested or may be exercised; (ii) waive or amend any goals, restrictions or conditions set forth in the Award Agreement; or (iii) waive or amend the operation of Section 2.4, 2.6(e) or 2.7(e) with respect to the termination of the Award upon termination of employment or consultancy/service relationship; provided, however, that no such amendment shall be made without shareholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the Award. However, any such cancellation or amendment (other than an amendment pursuant to Section 1.5, 3.5 or 3.16) that materially impairs the rights or materially increases the obligations of a grantee under an outstanding Award shall be made only with the consent of the grantee (or, upon the grantee's death, the Person having the rights to the Award). In making any modification to an Award (e.g., an amendment resulting in a direct or indirect reduction in the Exercise Price or a waiver or modification under Section 2.4(f), 2.6(e) or 2.7(e)), the Administrator may consider the implications, if any, of such modification under the Code with respect to Sections 409A and 457A of the Code in respect of Awards granted under the Plan to individuals subject to such provisions of the Code.

3.2 Consent Requirement

(a) No Plan Action Without Required Consent. If the Administrator shall at any time determine that any Consent (as defined below) is necessary or desirable as a condition of, or in connection with, the granting of any Award under the Plan, the issuance or purchase of shares or other rights thereunder, or the taking of any other action thereunder (each such action being hereinafter referred to as a "Plan Action"), then such Plan Action shall not be taken, in whole or in part, unless and until such Consent shall have been effected or obtained to the full satisfaction of the Administrator.

(b) Consent Defined. The term "Consent" as used herein with respect to any Plan Action means (i) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or under any Federal, state or local law, rule or regulation, (ii) any and all written agreements and representations by the grantee with respect to the disposition of shares, or with respect to any other matter, which the Administrator shall deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made and (iii) any and all consents, clearances and approvals in respect of a Plan Action by any governmental or other regulatory bodies or any other Person.

3.3 Nonassignability; Successors

Except as provided in Section 2.4(e), 2.5, 2.6(d) or 2.7(d), (a) no Award or right granted to any Person under the Plan or under any Award Agreement shall be assignable or transferable other than by will or by the laws of descent and distribution and (b) all rights granted under the Plan or any Award Agreement shall be exercisable during the life of the grantee only by the grantee or the grantee's legal representative or the grantee's permissible successors or assigns (as authorized and determined by the Administrator). The rights, duties and obligations under the Plan and any applicable Award Agreement shall be assignable by the Company to any successor entity, including any entity acquiring all, or substantially all, of the assets of the Company. All terms and conditions of the Plan and the applicable Award Agreements will be binding upon any permitted successors or assigns.

3.4 Taxes

(a) Withholding. A grantee or other Award holder under the Plan shall be required to pay, in cash, to the Company, and the Company, its Subsidiaries and Affiliates shall have the right and are hereby authorized to withhold from any Award, from any cash or other payment due or transfer made under any Award or under the Plan or from any compensation or other amount owing to such grantee or other Award holder, the amount of any applicable withholding taxes in respect of an Award, its grant, its exercise, its vesting, or any payment or transfer under an Award or under the Plan, up to the maximum statutory rates in the applicable jurisdiction with respect to the Award, as determined by the Company, and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for payment of such taxes. Whenever shares of Common Stock or Preferred Stock are to be delivered pursuant to an Award under the Plan, with the approval of the Administrator, which the Administrator shall have sole discretion whether or not to give, the grantee may satisfy the foregoing condition by electing to have the Company withhold from delivery shares having a value equal to the amount of the applicable withholding taxes as determined in accordance with this Section 3.4(a). Such shares shall be valued at their Fair Market Value as of the date on which the amount of tax to be withheld is determined. Fractional share amounts shall be settled in cash. Such a withholding election may be made with respect to all or any portion of the shares to be delivered pursuant to an Award as may be approved by the Administrator in its sole discretion.

(b) Liability for Taxes. Grantees and holders of Awards are solely responsible and liable for the satisfaction of all taxes and penalties that may arise in connection with Awards (including, without limitation, any taxes arising under Sections 409A and 457A of the Code) and the Company shall not have any obligation to indemnify or otherwise hold any such Person harmless from any or all of such taxes. The Administrator shall have the discretion to organize any deferral program, to require deferral election forms, and to grant or, notwithstanding anything to the contrary in the Plan or any Award Agreement, to unilaterally modify any Award in a manner that (i) conforms with the requirements of Sections 409A and 457A of the Code (to the extent applicable), (ii) voids any participant election to the extent it would violate Section 409A or 457A of the Code (to the extent applicable) and (iii) for any distribution event or election that could be expected to violate Section 409A of the Code, make the distribution only upon the earliest of the first to occur of a "permissible distribution event" within the meaning of Section 409A of the Code or a distribution event that the participant elects in accordance with Section 409A of the Code, all in such a way so as to retain, to the maximum extent possible, the originally intended economic and tax benefits under the Award. The Administrator shall have the sole discretion to interpret the requirements of the Code, including, without limitation, Sections 409A and 457A, for purposes of the Plan and all Awards.

3.5 Change in Control

(a) Change in Control Defined. Unless otherwise specifically set forth in the applicable Award Agreement, for purposes of the Plan, "Change in Control" shall mean the occurrence of any of the following:

(i) any "person" (as defined in Section 13(d)(3) of the 1934 Act), company or other entity acquires "beneficial ownership" (as defined in Rule 13d-3 under the 1934 Act), directly or indirectly, of twenty-five percent (25%) or more of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company; provided, however, that no Change in Control shall have occurred in the event of such an acquisition by (A) the Company, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary or Affiliate, (C) any company or other entity owned, directly or indirectly, by the holders of the voting stock ordinarily entitled to elect directors of the Company in substantially the same proportions as their ownership of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company immediately prior to such acquisition, (D) Mrs. Semiramis Paliou or any entity that she directly or indirectly "controls" (as defined in Rule 12b-2 under the 1934 Act), or (E) Diana Shipping Inc. or to any of its Affiliates or successors;

(ii) the sale of all or substantially all the Company's assets in one or more related transactions to any "person" (as defined in Section 13(d)(3) of the 1934 Act), company or other entity; provided, however, that no Change in Control shall have occurred in the event of such a sale (A) to a Subsidiary which does not involve a material change in the equity holdings of the Company, (B) to an entity (the "Acquiring Entity") which has acquired all or substantially all the Company's assets if, immediately following such sale, 50% or more of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Acquiring Entity (or, if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership of more than 50% of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Acquiring Entity) is beneficially owned by the holders of the voting stock ordinarily entitled to elect directors of the Company immediately prior to such sale in substantially the same proportions as the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company immediately prior to such sale or (C) to Mrs. Semiramis Paliou or any entity that she directly or indirectly "controls" (as defined in Rule 12b-2 under the 1934 Act) or (D) Diana Shipping Inc. or to any of its Affiliates or successors;

(iii) any merger, consolidation, reorganization or similar event of the Company or any Subsidiary; provided, however, that no Change in Control shall have occurred in the event 50% or more of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the surviving entity (or, if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership of more than 50% of the aggregate voting power of the capital stock ordinarily entitled to elect directors of the surviving entity) is beneficially owned by the holders of the voting stock ordinarily entitled to elect directors of the Company immediately prior to such event in substantially the same proportions as the aggregate voting power of the capital stock ordinarily entitled to elect directors of the Company immediately prior to such event;

(iv) the approval by the Company's stockholders of a plan of complete liquidation or dissolution of the Company; or

(v) during any period of 12 consecutive calendar months, individuals:

(A) who were directors of the Company on the first day of such period, or

(B) whose election or nomination for election to the Board was recommended or approved by at least a majority of the directors then still in office who were directors of the Company on the first day of such period, or whose election or nomination for election were so approved,

shall cease to constitute a majority of the Board.

Notwithstanding the foregoing, unless otherwise specifically set forth in the applicable Award Agreement, (1) in no event shall a Change in Control be deemed to have occurred in connection with an initial listing of Common Stock, and (2) for each Award subject to Section 409A of the Code, a Change in Control shall be deemed to have occurred under this Plan with respect to such Award only if a change in the ownership or effective control of the Company or a change in the ownership of a substantial portion of the assets of the Company shall also be deemed to have occurred under Section 409A of the Code, provided that such limitation shall apply to such Award only to the extent necessary to avoid adverse tax effects under Section 409A of the Code.

(b) Effect of a Change in Control. Unless the Administrator specifically provides otherwise in an Award Agreement, upon the occurrence of a Change in Control:

(i) any Award then outstanding shall become fully vested and any forfeiture provisions thereon imposed pursuant to the Plan and the applicable Award Agreement shall lapse and any Award in the form of an option or stock appreciation right shall be immediately exercisable;

(ii) to the extent permitted by law and not otherwise limited by the terms of the Plan, the Administrator may amend any Award Agreement in such manner as it deems appropriate; and

(iii) a grantee who incurs a termination of employment or consultancy/service relationship for any reason, other than a termination "for Cause", concurrent with or within one year following the Change in Control may exercise any outstanding option or stock appreciation right, but only to the extent that the grantee was entitled to exercise the Award on the date of his or her termination of employment or consultancy/service relationship, until the earlier of (A) the original expiration date of the Award and (B) the later of (x) the date provided for under the terms of Section 2.4 without reference to this Section 3.5(b)(iii) and (y) the first anniversary of the grantee's termination of employment or consultancy/service relationship.

(c) Miscellaneous. Whenever deemed appropriate by the Administrator, any action referred to in paragraph (b)(ii) of this Section 3.5 may be made conditional upon the consummation of the applicable Change in Control transaction.

3.6 Operation and Conduct of Business

Nothing in the Plan or any Award Agreement shall be construed as limiting or preventing the Company, any Subsidiary or any Affiliate from taking any action with respect to the operation and conduct of its business that it deems appropriate or in its best interests, including any or all adjustments, recapitalizations, reorganizations, exchanges or other changes in the capital structure of the Company, any Subsidiary or any Affiliate, any merger or consolidation of the Company, any Subsidiary or any Affiliate, any issuance of Company shares or other securities or subscription rights, any issuance of bonds, debentures, preferred or prior preference stock ahead of or affecting the Common Stock or other securities or rights thereof, any dissolution or liquidation of the Company, any Subsidiary or any Affiliate, any sale or transfer of all or any part of the assets or business of the Company, any Subsidiary or any Affiliate, or any other corporate act or proceeding, whether of a similar character or otherwise.

3.7 No Rights to Awards

No Key Person or other Person shall have any claim to be granted any Award under the Plan.

3.8 Right of Discharge Reserved; Service Relationship

(a) Nothing in the Plan or in any Award Agreement shall confer upon any grantee the right to continue his or her employment with the Company, any Subsidiary or any Affiliate, his or her consultancy/service relationship with the Company, any Subsidiary or any Affiliate, or his or her position as an officer or director of the Company, any Subsidiary or any Affiliate, or affect any right that the Company, any Subsidiary or any Affiliate may have to terminate such employment or consultancy/service relationship.

(b) For the avoidance of doubt, for purposes of the Plan, reference to (i) a service relationship shall include service as a director or officer and (ii) a termination of a service relationship shall include a removal or resignation as a director or officer.

3.9 Non-Uniform Determinations

The Administrator's determinations and the treatment of Key Persons and grantees and their beneficiaries under the Plan need not be uniform and may be made and determined by the Administrator selectively among Persons who receive, or who are eligible to receive, Awards under the Plan (whether or not such Persons are similarly situated). Without limiting the generality of the foregoing, the Administrator shall be entitled, among other things, to make non-uniform and selective determinations, and to enter into non-uniform and selective Award Agreements, as to (a) the Persons to receive Awards under the Plan, (b) the types of Awards granted under the Plan, (c) the number of shares to be covered by, or with respect to which payments, rights or other matters are to be calculated with respect to, Awards and (d) the terms and conditions of Awards.

3.10 Other Payments or Awards

Nothing contained in the Plan shall be deemed in any way to limit or restrict the Company or any Subsidiary from making any award or payment to any Person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

3.11 Headings

Any section, subsection, paragraph or other subdivision headings contained herein are for the purpose of convenience only and are not intended to expand, limit or otherwise define the contents of such section, subsection, paragraph or subdivision.

3.12 Effective Date and Term of Plan

(a) Adoption; Stockholder Approval. The Plan was adopted by the Board on November 8, 2021 and amended and restated on March 23, 2022 and further amended and restated on April 10, 2024. The Board may, but need not, make the granting of any Awards under the Plan subject to the approval of the Company's stockholders.

(b) Termination of Plan. The Board may terminate the Plan at any time. All Awards made under the Plan prior to its termination shall remain in effect until such Awards have been satisfied or terminated in accordance with the terms and provisions of the Plan and the applicable Award Agreements. No Awards may be granted under the Plan following the tenth anniversary of the date on which the Plan was adopted by the Board (i.e., November 8, 2031).

3.13 Restriction on Issuance of Stock Pursuant to Awards

The Company shall not permit any shares of Common Stock or Preferred Stock to be issued pursuant to Awards granted under the Plan unless such shares of Common Stock or Preferred Stock are fully paid and non-assessable under applicable law. Notwithstanding anything to the contrary in the Plan or any Award Agreement, at the time of the exercise of any Award, at the time of vesting of any Award, at the time of payment of shares of Common Stock or Preferred Stock in exchange for, or in cancellation of, any Award, or at the time of grant of any unrestricted shares under the Plan, the Company and the Administrator may, if either shall deem it necessary or advisable for any reason, require the holder of an Award (a) to represent in writing to the Company that it is the Award holder's then-intention to acquire the shares with respect to which the Award is granted for investment and not with a view to the distribution thereof or (b) to postpone the date of exercise until such time as the Company has available for delivery to the Award holder a prospectus meeting the requirements of all applicable securities laws; and no shares shall be issued or transferred in connection with any Award unless and until all legal requirements applicable to the issuance or transfer of such shares have been complied with to the satisfaction of the Company and the Administrator. The Company and the Administrator shall have the right to condition any issuance of shares to any Award holder hereunder on such Person's undertaking in writing to comply with such restrictions on the subsequent transfer of such shares as the Company or the Administrator shall deem necessary or advisable as a result of any applicable law, regulation or official interpretation thereof, and all share certificates delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Company or the Administrator may deem advisable under the Plan, the applicable Award Agreement or the rules, regulations and other requirements of the SEC, any stock exchange upon which such shares are listed, and any applicable securities or other laws, and certificates representing such shares may contain a legend to reflect any such restrictions. The Administrator may refuse to issue or transfer any shares or other consideration under an Award if it determines that the issuance or transfer of such shares or other consideration might violate any applicable law or regulation or entitle the Company to recover the same under Section 16(b) of the 1934 Act, and any payment tendered to the Company by a grantee or other Award holder in connection with the exercise of such Award shall be promptly refunded to the relevant grantee or other Award holder. Without limiting the generality of the foregoing, no Award granted under the Plan shall be construed as an offer to sell securities of the Company, and no such offer shall be outstanding, unless and until the Administrator has determined that any such offer, if made, would be in compliance with all applicable requirements of any applicable securities laws.

3.14 Requirement of Notification of Election Under Section 83(b) of the Code

If an Award recipient, in connection with the acquisition of Company shares under the Plan, makes an election under Section 83(b) of the Code (to include in gross income in the year of transfer the amounts specified in Section 83(b) of the Code), the grantee shall notify the Administrator of such election within ten days of filing notice of the election with the U.S. Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code.

3.15 Severability

If any provision of the Plan or any Award is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Administrator, such provision shall be construed or deemed amended to conform to the applicable laws or, if it cannot be construed or deemed amended without, in the determination of the Administrator, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

3.16 Sections 409A and 457A

To the extent applicable, the Plan and Award Agreements shall be interpreted in accordance with Sections 409A and 457A of the Code and Department of Treasury regulations and other interpretive guidance issued thereunder. Notwithstanding any provision of the Plan or any applicable Award Agreement to the contrary, in the event that the Administrator determines that any Award may be subject to Section 409A or 457A of the Code, the Administrator may adopt such amendments to the Plan and the applicable Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (i) exempt the Plan and Award from Sections 409A and 457A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (ii) comply with the requirements of Sections 409A and 457A of the Code and related Department of Treasury guidance and thereby avoid the application of penalty taxes under Sections 409A and 457A of the Code, all in such a way so as to retain, to the maximum extent possible, the originally intended economic and tax benefits under the Award.

3.17 Forfeiture; Clawback

The Administrator may, in its sole discretion, specify in the applicable Award Agreement that any realized gain with respect to options or stock appreciation rights and any realized value with respect to other Awards shall be subject to forfeiture or clawback, in the event of (a) a grantee's breach of any non-competition, non-solicitation, confidentiality or other restrictive covenants with respect to the Company, any Subsidiary or any Affiliate, (b) a grantee's breach of any employment or consulting agreement with the Company, any Subsidiary or any Affiliate, (c) a grantee's termination of employment or consultancy/service relationship for Cause or (d) a financial restatement that reduces the amount of compensation under the Plan previously awarded to a grantee that would have been earned had results been properly reported.

3.18 No Trust or Fund Created

Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company, any Subsidiary or any Affiliate and an Award recipient or any other Person. To the extent that any Person acquires a right to receive payments from the Company, any Subsidiary or any Affiliate pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company, Subsidiary or Affiliate.

3.19 No Fractional Shares

No fractional shares shall be issued or delivered pursuant to the Plan or any Award, and the Administrator shall determine whether cash, other securities, or other property shall be paid or transferred in lieu of any fractional shares or whether such fractional shares or any rights thereto shall be canceled, terminated, or otherwise eliminated.

3.20 Governing Law

The Plan will be construed and administered in accordance with the laws of the State of New York, without giving effect to principles of conflict of laws.

Exhibit 4.9

ADMINISTRATIVE SERVICES AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT (as the same may be amended or modified from time to time, the "**Agreement**"), dated as of November 29, 2023, is made by and between OCEANPAL INC., a Marshall Islands corporation (the "**Company**"), and STEAMSHIP SHIPBROKING ENTERPRISES INC., a Marshall Islands corporation (the "**Manager**").

WHEREAS, the Company is in the business of acquiring, owning and operating a fleet of dry bulk vessels (each a "**Vessel**" and collectively the "**Vessels**"), indirectly through separate wholly-owned subsidiaries (each a "**Vessel Owning Subsidiary**" and collectively the "**Vessel Owning Subsidiaries**");

WHEREAS, each Vessel Owning Subsidiary has entered into, and any Vessel Owning Subsidiary acquired or formed in the future will enter into, separate commercial and technical management agreements with the Manager pursuant to which the Manager will provide each Vessel Owning Subsidiary with commercial and technical management services for each owned Vessel;

WHEREAS, the Company desires to enter into this Agreement with the Manager to engage the Manager to provide certain administrative services to the Company, and the Manager desires to provide such administrative services to the Company, on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and premises of the Parties hereto and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Certain Definitions. In this Agreement, including the recitals hereto, unless the context requires otherwise, the following terms shall have the respective meanings set forth below:

"**Administrative Management Services**" has the meaning ascribed to such term in Section 3.

"**Affiliates**" means, with respect to any Person as at any particular date, any other Persons that directly or indirectly, through one or more intermediaries, are Controlled by, Control or are under common Control with the Person in question, and "**Affiliate**" means any one of them.

"**Applicable Laws**" means, in respect of any Person, property, transaction or event, all laws, statutes, ordinances, regulations, municipal by-laws, treaties, judgments and decrees applicable to that Person, property, transaction or event, all applicable official directives, rules, consents, approvals, authorizations, guidelines, orders, codes of practice and policies of any Governmental Authority having authority over that Person, property, transaction or event and having the force of law, and all general principles of common law and equity.

"**Approved Budget**" has the meaning ascribed to such term in Section 3.4(c).

"**Board of Directors**" means the board of directors of the Company, as the same may be constituted from time to time.

"**Books and Records**" means all books of accounts and records, including tax records, sales and purchase records, Vessel records, computer software, formulae, business reports, plans and projections and all other documents, files, correspondence and other information of the Company with respect to the Vessels or the Business (whether or not in written, printed, electronic or computer printout form).

"**Business**" means the Company's business of owning, operating and/or chartering or re-chartering dry bulk vessels to other Persons and any other lawful act or activity customarily conducted in conjunction therewith.

"**Business Day**" means a day other than a Saturday, Sunday or statutory holiday on which the banks in New York, New York are required to close.

"**Charter**" means a charter party agreement between the Company (or a Vessel Owning Subsidiary of the Company) and any Person that relates to any of the Vessels (including any voyage or spot charters), and "**Charters**" means all such charter party agreements.

"**Charterer**" means any Person that has entered or enter into, or assumed or assume the obligations under, by novation or otherwise, a Charter with the Company (or a Vessel Owning Subsidiary of the Company).

"**Chief Financial Officer**" means the chief financial officer of the Company.

"**Common Shares**" has the meaning ascribed to such term in the recitals to this Agreement.

"**Company Indemnified Persons**" has the meaning ascribed to such term in Section 7.3.

"**Confidential Information**" means all nonpublic or proprietary information or data (including all oral and visual information or data recorded in writing or in any other medium or by any other method) relating to a Disclosing Party that is obtained from the Disclosing Party or any third party on the Disclosing Party's behalf, at any time before, simultaneously with, or after the execution of this Agreement; and, without prejudice to the general nature of the foregoing definition, the term Confidential Information shall include, but not by way of limitation, (i) information regarding the Disclosing Party's existing or proposed operations, business plans, market opportunities, and business affairs and (ii) any information ascertainable by inspection of Confidential Information disclosed to the Receiving Party or by the analysis of any materials supplied to the Receiving Party. Notwithstanding the foregoing, Confidential Information shall not include any information which (x) is public knowledge at the time of disclosure or which subsequently becomes public knowledge other than as a result of a breach of this Agreement; (y) the Receiving Party can show was made available to it by some other Person who had a right to do so and who was not subject to any obligation of confidentiality or restricted use regarding such information; or (z) was developed by the Receiving Party independently without use of any confidential information provided hereunder or by a third party in breach of its confidentiality obligations.

"**Control**" or "**Controlled**" means, with respect to any Person, the right to elect or appoint, directly or indirectly, a majority of the directors of such Person or a majority of the Persons who have the right, including any contractual right, to manage and direct the business, affairs and operations of such Person, or the possession of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of Voting Securities, by contract, or otherwise.

"**Costs and Expenses**" has the meaning ascribed to such term in Section 6.1.

"**Credit Facility**" means any credit facility agreement to which any Company or any Subsidiary of the Company may be a party from time to time.

"**Disclosing Party**" means a Party who has disclosed Confidential Information hereunder to the other Party or on whose behalf Confidential Information has been disclosed to the other Party.

"**Dividend**" means any cash dividend paid by the Company on all outstanding Common Stock.

"**Draft Budget**" has the meaning ascribed to such term in Section 3.4(a).

"**Dry Bulk Vessel**" means a vessel which is specially designed and built to carry large volumes of cargo in bulk cargo form.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Executive Committee**" means the Executive Committee of the Company.

"**Fiscal Quarter**" means a fiscal quarter for the Company.

"**Fiscal Year**" means the fiscal year of the Company, being the twelve-month period ending December 31.

"**Force Majeure Event**" has the meaning ascribed to such term in Section 9.2.

"**GAAP**" means generally accepted accounting principles consistently applied in the United States.

"**Governmental Authority**" means any domestic or foreign government, including any federal, provincial, state, territorial or municipal government, any multinational or supranational organization, any government agency (including the SEC), any tribunal, labor relations board, commission or stock exchange (including the NASDAQ), and any other authority or organization exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government.

"**Initial Term**" has the meaning ascribed to such term in Section 8.1.

"**Legal Action**" means any action, claim, complaint, demand, suit, judgment, investigation or proceeding, pending or threatened, by any Person or before any Governmental Authority.

"**Lenders**" means the lenders, facility agent, security trustee, swap banks, swap agent or other financial institution contemplated by any Credit Facility.

"**Losses**" means losses, expenses, costs, liabilities and damages, excluding lost profits and consequential damages, but including interest charges, penalties, fines and monetary sanctions.

"**Management Fee**" has the meaning ascribed to such term in Section 6.1.

"**Manager Indemnified Persons**" has the meaning ascribed to such term in Section 7.2.

"**Manager Misconduct**" has the meaning ascribed to such term in Section 7.1(a).

"**Manager's Personnel**" means all individuals who are employed by or have entered into consulting arrangements with the Manager or any subcontractor under Section 2.3.

"**Other Financing Agreements**" has the meaning ascribed to such term in Section 3.2(b).

"**Parties**" means the Company and the Manager.

"**Person**" means an individual, corporation, limited liability company, partnership, joint venture, trust or trustee, unincorporated organization, association, Governmental Authority or other entity.

"**Purpose**" has the meaning ascribed to such term in Section 9.3(a).

"**Questioned Items**" has the meaning ascribed to such term in Section 3.4(b).

"**Receiving Party**" means a Party to whom Confidential Information of a Disclosing Party has been disclosed hereunder.

"**Renewal Term**" has the meaning ascribed to such term in Section 8.2.

"**SEC**" means the United States Securities and Exchange Commission.

"**Subsidiary**" means, with respect to any Person, (a) a corporation of which more than 50% of the voting power of shares entitled (without regard to the occurrence of any contingency) to vote in the election of directors or other governing body of such corporation is owned, directly or indirectly, at the date of determination, by such Person, by one or more Persons Controlled by such Person or a combination thereof, (b) a partnership (whether general or limited) in which such Person or a Person Controlled by such Person is, at the date of determination, a general or limited partner of such partnership, but only if more than 50% of the partnership interests of such partnership (considering all of the partnership interests of the partnership as a single class) is owned, directly or indirectly, at the date of determination, by such Person, one or more Persons Controlled by such Person, or a combination thereof, or (c) any other Person (other than a corporation or a partnership) in which such Person, one or more Persons Controlled by such Person, or a combination thereof, directly or indirectly, at the date of determination, has (i) at least a majority ownership interest or (ii) the power to elect or direct the election of a majority of the directors or other governing body of such Person.

"**Term**" means the Initial Term and any Renewal Term, in each case subject to any early termination of this Agreement as permitted herein.

"**Voting Securities**" means securities of all classes of a Person entitling the holders thereof to vote on a regular basis in the election of members of the board of directors or other governing body of such Person.

1.2 Construction. In this Agreement, unless the context requires otherwise:

(a) references to laws and regulations refer to such laws and regulations as they may be amended from time to time, and references to particular provisions of a law or regulation include any corresponding provisions of any succeeding law or regulation;

(b) references to money refer to legal currency of the United States;

(c) "including" means "including, without limitation," whether or not so expressed;

(d) words importing the singular include the plural and vice versa, and words importing gender include all genders; and

(e) a reference to an "approval," "authorization," "consent," "notice" or "agreement" means an approval, authorization, consent, notice or agreement, as the case may be, in writing.

1.3 Headings. All article or section headings in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any of the provisions hereof.

2. ENGAGEMENT OF MANAGER

2.1 Engagement. The Company hereby engages the Manager to provide, upon the Company's request, the Administrative Management Services specified in Section 3, below, and the Manager hereby accepts such engagement, all in accordance with the terms of this Agreement. The Company and the Manager each acknowledge that to the extent set out in this Agreement, the Manager is acting solely on behalf of, as agent of and for the account of the Company. The Manager shall advise Persons with whom it deals on behalf of the Company that it is conducting such business for and on behalf of the Company.

2.2 Powers and Duties of the Manager. The Manager has the power and authority to take such actions on its own behalf or on behalf of the Company as it from time to time considers necessary or appropriate to enable it to perform its obligations under this Agreement, subject to customary oversight and supervision of the Company, its Board of Directors and its executive officers.

2.3 Ability to Subcontract. The Manager may subcontract any of its duties and obligations hereunder to provide Administrative Management Services to any of its Affiliates without the consent of the Company and may subcontract its duties and obligations hereunder to provide Administrative Management Services to Persons that are not Affiliates with the prior written consent of the Company. In the event of any subcontract by the Manager, the Manager shall promptly notify the Company thereof and shall remain fully liable for the due performance of its obligations under this Agreement.

2.4 Outside Activities. The Company acknowledges that the Manager may engage in business activities in addition to those relating to the Company provided that such activities do not interfere with the Manager's provision of the Administrative Management Services.

2.5 Authority of the Parties. Each Party represents to the other that it is duly authorized with full power and authority to execute, deliver and perform its obligations under this Agreement. The Company represents that the engagement of the Manager has been duly authorized by the Company and is in accordance with all governing documents of the Company.

2.6 Inspection of Books and Records. At all reasonable times and on reasonable notice, any Person authorized by the Company may inspect, examine, copy and audit the Books and Records of the Company kept by the Manager pursuant to this Agreement.

3. ADMINISTRATIVE SERVICES

The Manager shall provide to the Company the services described in this Section 3 (collectively, the "**Administrative Management Services**").

3.1 Accounting and Records. The Manager shall, on behalf of the Company, establish an accounting system, including the development, implementation, maintenance and monitoring of internal control over financial reporting and disclosure controls and procedures, and maintain Books and Records, with such modifications as may be necessary to comply with Applicable Laws. The Books and Records shall contain particulars of receipts and disbursements relating to the Company's assets and liabilities and shall be kept pursuant to normal commercial practices that will permit financial statements to be prepared for the Company in accordance with GAAP. The Books and Records shall be the property of the Company but shall be kept at the Manager's primary office or such other place as the Company and the Manager may mutually agree. Upon expiration or termination of this Agreement, all of the Books and Records shall, at the direction of the Company, be provided to the Company or a new manager pursuant to Section 8.4(b).

3.2 Reporting Requirements. The Manager shall provide assistance/ prepare and deliver to the Company, including, but not limited to, the following within time periods requested by the relevant party and required by applicable laws (including SEC):

(a) periodic consolidated financial statements, including but not limited, those required for governmental and regulatory agency filings and reports to shareholders, arranging of the auditing and/ or review of any such financial statements and related data processing services;

(b) periodic and other reports proxy statements, registration statements and other documents and reports required by applicable law (including rules and regulations promulgated by the SEC);

(c) tax returns required by any law or regulatory authority (or procuring at the Company's cost, a third party service provider to prepare and provide);

(d) arranging for the provision of advisory services (either directly or, at the Company's cost, through a third party service provider) to ensure that the Company is in compliance with all the applicable laws, including all relevant securities laws, including the preparation for review, approval and filing by the Company of reports and other documents with the SEC, ay securities exchange on which its shares are listed and all other regulatory authorities having jurisdiction over the Company;

(e) reports to be considered by the Board of Directors (or any applicable Committee thereof) in accordance with the Company's internal policies and procedures.

3.3 Budgets and Corporate Planning.

(a) Draft Budgets

On or before December 15 of each year, the Manager, in consultation with the Company, shall prepare and submit to the Board of Directors a detailed draft budget for the next Fiscal Year in a format acceptable to the Board of Directors and generally used by the Manager, which shall include a statement of estimated revenue and out of pocket expenses (the "**Draft Budget**").

(b) Process for Finalizing the Draft Budget.

For a period of twenty (20) days after receipt of the Draft Budget, the Board of Directors may request further details and submit written comments on the Draft Budget. If, after reviewing the Draft Budget, the Company does not agree with any term thereof, the Company shall, within the same twenty (20) day period, give the Manager notice of such disagreements and terms (the "**Questioned Items**") and a proposal for resolution of each such Questioned Item. The Company and the Manager shall endeavor to resolve any such differences between them with respect to the Questioned Items. In resolving any Questioned Item, the Company and the Manager shall consider, among other things, the Company's obligations under any relevant Charter, Credit Facility, or Other Financing Agreement.

(c) Approved Budget.

The Manager shall use its commercially reasonable efforts to prepare and deliver to the Company a revised budget that has been approved by the Board of Directors (the "**Approved Budget**") by December 31 of the preceding Fiscal Year. However, the Company acknowledges that the Approved Budget is only an estimate of the performance of the Vessels and the Manager makes no assurance, representation or warranty that the actual performance of the Vessels in the applicable Fiscal Year will correspond to the estimates contained in the Approved Budget for such Fiscal Year. The Parties acknowledge that any projections contained in the Approved Budget are subject to and may be affected by changes in financial, economic and other conditions and circumstances beyond the control of the Parties.

(d) Amendments to Approved Budget.

The Manager may, from time to time, in any Fiscal Year propose amendments to the Approved Budget upon at least fifteen (15) days prior notice to the Company, in which event the Company shall have the right to approve the amendments in accordance with the process set out in Section 3.4(b), with the relevant time periods being amended accordingly. Whenever, due to circumstances beyond the reasonable control of the Manager, emergency expenditures are required to ensure that any Vessels are operated and maintained as required under any applicable Charters, the Manager may make such emergency expenditures and reasonably request prompt reimbursement thereof, to the extent that such items are the responsibility of the Company, even if such expenditures are not included or reflected in the Approved Budget.

3.4 Legal and Securities Compliance Services.

(a) Responsibilities of the Manager.

The Manager shall assist the Company with the following items, whether or not related to any of the Vessels:

(i) compliance with all Applicable Laws, including all relevant securities laws and the rules and regulations of the SEC and any securities exchange upon which the Company's securities are listed;

(ii) arranging for the provision of advisory services to the Company with respect to the Company's obligations under applicable securities laws in the United States and disclosure and reporting obligations under applicable securities laws, including the preparation for review, approval and filing by the Company of reports and other documents with the SEC and all other applicable regulatory authorities;

(iii) maintaining the Company's corporate existence and good standing in all necessary jurisdictions and assisting in all other corporate and regulatory compliance matters; and

(iv) conducting investor relations functions on behalf of the Company.

(b) Administration and Settlement of Legal Actions.

If any Legal Action is commenced against or is required to be commenced in favor of the Company or any Vessel Owning Subsidiary, the Manager shall arrange for the commencement or defense of such Legal Action, as the case may be, in the name of, on behalf of and at the expense of the Company or Vessel Owning Subsidiary, including retaining and instructing legal counsel, investigating the substance of the Legal Action and entering pleadings with respect to the Legal Action. The Manager shall assist the Company in administering and supervising any such Legal Actions and shall keep the Company advised of the status thereof.

(c) Interaction with Regulatory Authorities.

Notwithstanding anything in this Section 3 or otherwise, the Manager shall not act for or on behalf of the Company in its relationships with regulatory authorities except to the extent specifically authorized by the Company from time to time.

3.5 Bank Accounts.

(a) Administration by Manager.

The Manager shall oversee banking services for the Company and shall establish in the name of the Company banking accounts with such financial institutions as the Company may request. The Manager shall administer and manage all of the Company's cash and accounts, including making any deposits and withdrawals reasonably necessary for the management of its business and day-to-day operations. The Manager shall promptly deposit all moneys payable to the Company and received by the Manager into a bank account held in the name of the Company.

(b) Payments from Operating Account.

The Company shall ensure that all charter hire associated with each Charter is paid by the applicable Charterer into the operating account. Unless otherwise instructed by the Company, the Manager shall instruct the financial institutions at which the accounts have been established to pay from the operating account, as and when required, amounts payable under any Credit Facility or Other Financing Agreement.

3.6 Other Administrative Management Services.

The Manager shall:

(a) develop, maintain and monitor internal audit controls, disclosure controls and information technology for the Company;

(b) assist with arranging board meetings and preparing board and committee meeting materials, including, as applicable, agendas, discussion papers, analyses and reports;

(c) prepare and provide such reports and accounting information so as to permit the Board of Directors to determine the amount of the cash available for the payment of dividends to the Company's shareholders, and to assist the Company in making arrangements with the Company's transfer agent for the payment of dividends, if any, to the shareholders;

(d) obtain, on behalf of the Company, general insurance, director and officer liability insurance and other insurance of the Company not related to the Vessels that would normally be obtained for a company in a similar business to that of the Company;

(e) administer payroll services, benefits and directors fees, as applicable, for the officers, other employees or directors of the Company;

(f) provide office space and office equipment for personnel of the Company at the location of the Manager or as otherwise reasonably designated by the Company, and clerical, secretarial, accounting and administrative assistance as may be reasonably necessary;

(g) provide all administrative services required in connection with any Credit Facility or Other Financing Agreement;

(h) negotiate and arrange for interest rate swap agreements, foreign currency contracts and forward exchange contracts;

(i) monitor the performance of investment managers;

(j) at the request and under the direction of the Company, handle all administrative and clerical matters in respect of (i) the call and arrangement of all annual and special meetings of shareholders, (ii) the preparation of all materials (including notices of meetings and proxy or similar materials) in respect thereof and (iii) the submission of all such materials to the Company in sufficient time prior to the dates upon which they must be mailed, filed or otherwise relied upon so that the Company has full opportunity to review, approve, execute and return them to the Manager for filing or mailing or other disposition as the Company may require or direct;

(k) provide, at the request and under the direction of the Company, such communications to the transfer agent for the Company as may be necessary or desirable;

(l) make recommendations to the Company for the appointment of auditors, accountants, legal counsel and other accounting, financial or legal advisers, and technical, commercial, marketing or other independent experts; *provided, however,* that nothing herein shall permit the Manager to engage any such adviser or expert for the Company without the Company's specific approval;

(m) attend to all matters necessary for any reorganization, bankruptcy or insolvency petitions or proceedings, liquidation, dissolution or winding up of the Company;

(n) attend to all other administrative matters necessary to ensure the professional management of the Company's business or as reasonably requested by the Company from time to time.

4. EMPLOYEES AND MANAGER'S PERSONNEL

4.1 Manager's Personnel. The Manager shall provide the Administrative Management Services hereunder through the Manager's Personnel. The Manager shall be responsible for all aspects of the employment or other relationship of the Manager's Personnel as required in order for the Manager to perform its obligations hereunder, including recruitment, training, staffing levels, compensation and benefits, supervision, discipline and discharge, and other terms and conditions of employment or contract. However, the Manager shall remain directly responsible and liable to the Company to carry out all of its obligations under this Agreement, whether performed directly or subcontracted to another Person, and the Manager shall be responsible for the compensation and reimbursement of all such other Persons.

5. COVENANTS OF THE MANAGER

The Manager hereby agrees and covenants with the Company that, during the Term, the Manager shall:

(a) exercise all due care, skill and diligence in carrying out its duties under this Agreement as required by Applicable Laws;

(b) provide the Chief Financial Officer, the Executive Committee and the Board of Directors with all information in relation to the performance of the Manager's obligations under this Agreement as the Chief Financial Officer, the Executive Committee or the Board of Directors may reasonably request;

(c) use its reasonable best efforts to have all material property of the Company clearly identified as such, held separately from property of the Manager and, where applicable, in safe custody;

(d) use its reasonable best efforts to have all property of the Company (other than money to be deposited to any bank account of the Company) transferred to or otherwise held in the name of the Company or any nominee or custodian appointed by the Company;

(e) use its reasonable best efforts to cause (i) the Company to own or possess all licenses that are necessary and used in the operation of its business as of the date hereof, (ii) all such licenses to be in full force and effect at all times, and (iii) all required filings with respect to such licenses to be timely made and all required applications for renewal thereof to be timely filed;

(f) use its reasonable best efforts to retain at all times a qualified staff so as to maintain a level of expertise sufficient to provide the Administrative Management Services; and

(g) use its reasonable best efforts to keep full and proper books, records and accounts showing clearly all transactions relating to its provision of Administrative Management Services in accordance with established general commercial practices and in accordance with GAAP, and allow the Company and its representatives to audit and examine such books, records and accounts at any time during customary business hours.

6. MANAGER'S COMPENSATION AND REIMBURSEMENT

6.1 Fees for Administrative Management Services; Reimbursement. In consideration for the provision of the Administrative Management Services by the Manager to the Company, the Company shall pay the Manager a monthly management fee (the "**Management Fee**") in the amount of US$10,000.00 (ten thousand United States dollars) in accordance with Section 6.2. In addition, the Company shall reimburse the Manager for all of the reasonable direct and indirect costs and expenses incurred by the Manager and its Affiliates in providing the Administrative Management Services (the "**Costs and Expenses**").

6.2 Invoicing. The Manager shall, in good faith, determine the expenses related to the Administrative Management Services that are allocable to the Company in any reasonable manner determined by the Manager and shall provide to the Company on a quarterly basis an invoice for the reasonable costs and expenses to be paid pursuant to Section 6.1, which invoice shall contain a description in reasonable detail of the costs and expenses that comprise the aggregate amount of the payment being invoiced. The Manager shall maintain the records of all costs and expenses incurred, including any invoices, receipts and supplementary materials as are necessary or proper for the settlement of accounts between the Parties. The Company shall pay such invoices within thirty (30) days of receipt, unless the invoice is being disputed in accordance with this Agreement.

7. LIABILITY OF THE MANAGER; INDEMNIFICATION

7.1 Liability of the Manager. The Manager shall not be liable to the Company for any Loss arising from the Administrative Management Services unless and to the extent that such Loss resulted from:

(a) the fraud, gross negligence, recklessness or willful misconduct of the Manager or any of its Affiliates (other than the Company) or any of their respective employees, agents or subcontractors ("**Manager Misconduct**"); or

(b) any breach of this Agreement by the Manager or any of its Affiliates (other than the Company).

7.2 Manager Indemnification. The Company shall indemnify and hold harmless the Manager and its directors, officers, employees, subcontractors and Affiliates (the "**Manager Indemnified Persons**") from and against any and all Losses incurred or suffered by the Manager Indemnified Persons by reason of or arising from or in connection with their performance of this Agreement or any third-party Legal Action brought or threatened against such Manager Indemnified Persons in connection with their performance of this Agreement, other than for any Losses to the extent related to or that resulted from:

(a) any liabilities or obligations that the Manager has agreed to pay or for which the Manager is otherwise expressly responsible under this Agreement;

(b) Manager Misconduct; or

(c) any breach of this Agreement by the Manager or any of its Affiliates (other than the Company).

7.3 Company Indemnification. The Manager shall indemnify and hold harmless the Company and the Company's directors, officers, employees, subcontractors and Affiliates (the "**Company Indemnified Persons**") from and against any and all Losses incurred or suffered by the Company Indemnified Persons, to the extent related to or that resulted from:

(a) any liabilities or obligations that the Manager has agreed to pay or for which the Manager is otherwise expressly responsible under this Agreement;

(b) Manager Misconduct; or

(c) any breach of this Agreement by the Manager or any of its Affiliates (other than the Company).

8. TERM AND TERMINATION

8.1 Initial Term. The initial term of this Agreement shall commence on the date hereof and end on the first anniversary of the date hereof, unless terminated earlier pursuant to this Agreement (the "**Initial Term**").

8.2 Renewal Term. This Agreement will, without any further act or formality on the part of either Party, on the expiration of the Initial Term or any Renewal Term, be automatically renewed for a further term of twelve (12) months (each a "**Renewal Term**") unless terminated in accordance with Section 8.3.

8.3 Termination. This Agreement may be terminated by either party upon not less than thirty (30) days prior written notice, or may be terminated immediately (i) at the election of the Company if, at any time, the Company ceases to own all of the issued and outstanding common shares of the Manager, (ii) at the election of the Company if, at any time, the Manager materially breaches this Agreement or (iii) at the election of the Manager if, at any time, the Company materially breaches the Agreement.

8.4 Effects of Termination or Expiry of this Agreement. (a) If the Manager terminates this Agreement, the Company shall have the option to require the Manager to continue to provide Administrative Management Services to the Company, for the fee described in Section 6.1, for up to a ninety (90) day period from the date that the Manager provides notice of termination of this Agreement.

(b) Upon termination or expiry of this Agreement, this Agreement will be void and there shall be no liability on the part of any Party (or their respective officers, directors, employees or Affiliates) except that the obligation of the Company to pay to the Manager or its Affiliates the amounts accrued but outstanding under Section 6 and the terms and conditions set forth in Sections 7 and 9.3 shall survive such termination. After a written notice of termination has been given under this Section 8 or upon expiry, the Company may direct the Manager to, at the cost of the Company, undertake any actions reasonably necessary to transfer any aspect of the ownership or control of the assets of the Company to the Company or to any nominee of the Company and to do all other things reasonably necessary to bring the appointment of the Manager to an end at the appropriate time, and the Manager shall promptly comply with all such reasonable directions. Upon termination or expiry of this Agreement, the Manager shall promptly deliver to any new manager or the Company any Books and Records held by the Manager under this Agreement and shall execute and deliver such instruments and do such things as may reasonably be required to permit the new manager of the Company to assume its responsibilities.

9. GENERAL

9.1 Assignment; Binding Effect. The Parties may not assign any of their respective rights under this Agreement in whole or in part without the prior written consent of the other Party, which consent may be withheld in the sole discretion of such other Party. This Agreement is binding upon and inures to the benefit of the Parties and their successors and permitted assigns.

9.2 Force Majeure. Neither of the Parties shall be under any liability for any failure to perform any of their obligations hereunder if any of the following occurs (each a "**Force Majeure Event**"):

(a) any event, cause or condition which is beyond the reasonable control of either or both of the Parties and which prevents either or both of the Parties from performing any of their respective obligations under this Agreement;

(b) acts of God, including fire, explosions, unusually or unforeseeably bad weather conditions, epidemic, lightening, earthquake or tsunami;

(c) acts of public enemies, including war or civil disturbance, vandalism, sabotage, terrorism, blockade or insurrection;

(d) acts of a Governmental Authority, including injunction or restraining orders issued by any judicial, administrative or regulatory authority, expropriation or requisition;

(e) government rule, regulation or legislation, embargo or national defense requirement; or

(f) labor troubles or disputes, strikes or lockouts, including any failure to settle or prevent such event which is in the control of any Party.

A Party shall give written notice to the other Party promptly upon the occurrence of a Force Majeure Event.

9.3 Confidentiality. (a) Each Receiving Party agrees:

(i) to use any Confidential Information solely to carry out its obligations or exercise its rights under this Agreement (the "**Purpose**") and for no other purpose;

(ii) to copy and make other works based on Confidential Information only as strictly necessary for the Purpose;

(iii) to maintain the confidentiality of the Confidential Information using at least the same degree of care that the Receiving Party uses for its own confidential or proprietary information of a similar nature, but no less than reasonable care;

(iv) to reveal any Confidential Information to any third party without the prior written consent of the Disclosing Party, except that if the Receiving Party is required by law, court or administrative order or regulation to reveal any Confidential Information, the Receiving Party is permitted to do so, *provided* that the Receiving Party gives the Disclosing Party reasonable prior written notice (if permitted) of the required disclosure and cooperate with the Disclosing Party at its expense in seeking a protective order or other relief;

(v) to limit disclosure of the Confidential Information to such of the Company's or the Manager's officers and employees as is necessary for the Purpose;

(vi) to inform each officer and employee who receives any Confidential Information of the restrictions as to use and disclosure of Confidential Information contained herein and to be responsible for any breach of such restrictions by any such persons; and

(vii) forthwith upon the Disclosing Party's request, to procure the return of all Confidential Information together with any copies, abstracts, or other works which contain or are based on any of the Confidential Information; provided that, notwithstanding the foregoing, the Receiving Party shall be permitted to retain Confidential Information to the extent it is required to retain such Confidential Information pursuant to law, court or administrative order or regulation.

(b) Each Receiving Party further acknowledges that any breach of the provisions of this Agreement would result in serious damage being sustained by the Disclosing Party, and as a result hereby unconditionally agrees:

(i) to be responsible for losses, damages or expenses (including without limitation attorneys' fees and expenses) that have been determined to have been caused by any such breach; and

(ii) that the Disclosing Party shall be entitled to equitable relief (including without limitation injunctive relief) in relation to any threatened or actual breach of the provisions of this Agreement without any requirement of posting a bond and without limiting any other remedy that may be available to the Disclosing Party.

9.4 Notices. Each notice, consent or request required to be given to a Party pursuant to this Agreement must be given in writing. A notice may be given by delivery to an individual or by fax, and shall be validly given if delivered on a Business Day to an individual at the following address, or, if transmitted on a Business Day, by fax or email addressed to the following Party:

If to the Company:

OceanPal Inc.
c/o Steamship Shipbroking Enterprises Inc.
Pendelis 26,
175 64 Palaio Faliro,
Athens, Greece
Attention: Director and President
Tel: 30-210-9485360
Fax: 30-210-9401810
E-mail: info@stsei.com

If to the Manager:

Steamship Shipbroking Enterprises Inc.
Pendelis 26,
175 64 Palaio Faliro,
Athens, Greece
Attention: Director and President
Tel: 30-210-9485360
Fax: 30-210-9401810
E-mail: info@stsei.com

or to any other address or fax number that the Party so designates by notice given in accordance with this Section. Any notice

(a) if validly delivered on a Business Day, shall be deemed to have been given when delivered; and

(b) if validly transmitted by fax on a Business Day, shall be deemed to have been given on that Business Day.

9.5 Third Party Rights. The provisions of this Agreement are enforceable solely by the Parties to this Agreement, and no shareholder, employee, agent of any Party or any other Person shall have the right to enforce any provision of this Agreement or to compel any Party to this Agreement to comply with the terms of this Agreement.

9.6 No Joint Venture. Nothing in this Agreement is intended to create or shall be construed as creating a joint venture or partnership between the Parties, and this Agreement shall not be deemed for any purpose to constitute any Party a partner of any other Party to this Agreement in the conduct of any business or otherwise or as a member of a joint venture or joint enterprise with any other Party to this Agreement.

9.7 Severability. Each provision of this Agreement is severable. If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect:

(a) the legality, validity or enforceability of the remaining provisions of this Agreement; or

(b) the legality, validity or enforceability of that provision in any other jurisdiction;

except that if:

(x) on the reasonable construction of this Agreement as a whole, the applicability of the other provision presumes the validity and enforceability of the particular provision, the other provision will be deemed also to be invalid or unenforceable; and

(y) as a result of the determination by a court of competent jurisdiction that any part of this Agreement is unenforceable or invalid and, as a result of this Section 9.7, the basic intentions of the Parties in this Agreement are entirely frustrated, the Parties shall use commercially reasonable efforts to amend, supplement or otherwise vary this Agreement to confirm their mutual intention in entering into this Agreement.

9.8 Governing Law; Jurisdiction; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts executed in and to be performed in that state, and each party hereto agrees to submit to the non-exclusive jurisdiction of the federal or state courts located in the City, County and State of New York as regards any claim or matter arising under or in connection with this Agreement. Each of the Parties hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this agreement or the transactions contemplated hereby, in the federal or state courts located in the City, County and State of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum or seek to change the venue from any such court.

9.9 Amendments. No amendment, supplement, modification or restatement of any provision of this Agreement shall be binding unless it is in writing and signed by each Person that is a Party to this Agreement at the time of the amendment, supplement, modification or restatement.

9.10 Entire Agreement. This Agreement constitutes the entire agreement among the Parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

9.11 Waiver. No failure by any Party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of any other covenant, duty, agreement or condition. Any waiver must be specifically stated as such in writing.

9.12 Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute one agreement binding on the Parties.

[Remainder of This Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Administrative Services Agreement has been duly executed by the Parties as of the date first written above.

OCEANPAL INC.

/s/ Robert Perri
Name: Robert Perri
Title: Chief Executive Officer

STEAMSHIP SHIPBROKING ENTERPRISES INC.

/s/ Ioannis Zafirakis
Name: Ioannis Zafirakis
Title: Director and Treasurer

[*Signature Page to Administrative Services Agreement*]

Exhibit 4.10

STEAMSHIP SHIPBROKING ENTERPRISES INC.

THIS AGREEMENT dated this 7th day of March 2023 by and between OceanPal Inc., a Marshall Islands company having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "Company") and Steamship Shipbroking Enterprises Inc. a Marshall Islands company having its registered office at Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960 (the "Broker").

BY WHICH, in consideration of the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. The Company. OceanPal Inc. is a global provider of shipping transportation services through its ownership of dry bulk vessels (the "Vessels"). The Company's Vessels are employed primarily on short to medium-term time charters and transport a range of dry bulk cargoes, including such commodities as iron ore, coal, grain and other materials along worldwide shipping routes.

2. Engagement. The Company hereby engages the Broker to act as broker for the Company and for any of its affiliated companies that own Vessels managed by Diana Wilhelmsen Management Limited as directed by the Company to assist the Company in the provision of the services by providing to the Company or to an entity designated by the Company from time to time, brokerage services relating to the purchase, sale or chartering of Vessels, brokerage services relating to the repairs and other maintenance of Vessels, and any relevant consulting services permitted by Greek laws or the Broker's Law 27/1975 license (collectively the "Brokerage Services"), and the Broker hereby accepts such appointment.

3. Duration. The duration of the engagement shall be for a term of 12 (twelve) months commencing the 1st day of January 2023 and ending (unless terminated earlier on the basis of any other provision of this Agreement) on the 31st day of December 2023 and shall be automatically renewed for further periods of one (1) calendar year, (the said period as it may be extended being hereinafter referred to as the "Term").

4. Representations of Broker. The Broker represents that it has personnel fully qualified, without the benefit of any further training or experience and has obtained all necessary permits and licenses, to perform the Brokerage Services. The duties of the Broker shall be offered on a worldwide basis. Broker's duties and responsibilities hereunder shall always be subject to the policies and directives of the board of directors of the Company as communicated from time to time to the Broker. Subject to the above, the precise duties, responsibilities and authority of the Broker may be expanded, limited or modified, from time to time, at the discretion of the board of directors of the Company.

5. Commission. Because of their permanent relation the Company shall pay the Broker a lump sum commission in the amount of United States Dollars $150,000 per month, starting on the 1st day of January 2023 payable quarterly in advance plus 2.5% on the hire agreed per charter party for each Vessel, subject to required deductions and withholdings. Commissions on a percentage basis for specific deals may be agreed by separate agreements in writing.

6. Expenses. The Company shall not pay or reimburse the Broker for any out-of pocket expenses as such expenses are included in the commission paid to the Broker.

7. Termination. This Agreement, unless otherwise agreed in writing between the parties, shall be terminated as follows:

(a) At the end of the Term, unless extended by mutual agreement in writing.

(b) The parties, by mutual agreement, may terminate this Agreement at any time.

(c) Either party may terminate this Agreement for any material breach by the other party of their respective obligations under this Agreement.

8. Change of Control.

(a) In the event of a "Change in Control" (as defined herein) within the duration of this Agreement, the Broker has the option to terminate this Agreement within six (6) months following such Change in Control, and shall be eligible to receive the payment specified in sub-paragraph (c), below, provided that the conditions of said paragraph are satisfied.

(b) For purposes of this Agreement, the term "Change of Control" shall mean the:

(i) event where Diana Shipping Inc. ceases to have the highest voting control of any matter submitted to the vote of the common shareholders of the Company.

(ii) consummation of a reorganization, merger or consolidation of the Company or the sale or other disposition of all or substantially all of the assets of the Company and/or of the Affiliates; or

(iii) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

(c) If the Broker terminates this Agreement within six (6) months following a Change of Control, the Broker shall receive a payment equal to five (5) years' annual commission. Receipt of the foregoing shall be contingent upon the Broker's execution and non-revocation of a Release of Claims in favor of the Company and the Affiliates in a form that is reasonably satisfactory to the Company and its counsel.

9. **Notices.** Every notice, request, demand or other communication under this Agreement shall:

(a) be in writing delivered personally or by courier or by fax or shall be served through a process server;

(b) be deemed to have been received, subject as otherwise provided in this Agreement in the case of fax upon receipt of a successful transmission report (or —if sent after business hours— the following business day) and in the case of a letter when delivered personally or through courier or served at the address below; and

(c) be sent:

(i) If to the Company, to:
OceanPal Inc.
c/o Steamship Shipbroking Enterprises Inc.
Pendelis 26, Palaio Faliro, 175 64
Athens, Greece
Telephone: +30 210 9485360
Telefax: +30 210 9401810
Attn: Chief Executive Officer

(ii) If to the Broker, to:
Steamship Shipbroking Enterprises Inc.
Pendelis 26, Palaio Faliro, 175 64
Athens, Greece
Telephone: +30 210 9485360
Telefax: +30 210 9401810
Attn: Director and President

or to such other person, address or telefax, as is notified by the relevant Party to the other Party to this Agreement and such notification shall not become effective until notice of such change is actually received by the other Party. Until such change of person or address is notified, any notification to the above addresses and fax numbers are agreed to be validly effected for the purposes of this Agreement.

10. **Entire Agreement.** This Agreement supersedes all prior agreements written or oral, with respect thereto.

11. **Amendments.** This Agreement may be amended, superseded, canceled, renewed or extended and the terms hereof may be waived, only by a written instrument signed by the parties.

12. Independent Contractor. All services provided hereunder shall be provided by the Broker as an independent contractor. No employment contract, partnership or joint venture between the Broker and the Company has been created in or by this Agreement or as a result of services provided hereunder.

13. Assignment. This Agreement, and the Broker's rights and obligations hereunder, may not be assigned by the Broker; any purported assignment in violation hereof shall be null and void. This Agreement, and the Company's rights and obligations hereunder, may not be assigned by the Company; provided, however, that in the event of any sale, transfer or other disposition of all or substantially all of the Company's assets and business, whether by merger, consolidation or otherwise, the Company shall assign this Agreement and its rights hereunder to the successor to its assets and business.

14. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, heirs, executors and legal representative.

15. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto.

16. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

17. Governing Law and Jurisdiction.

(a) This Agreement shall be governed by and construed in accordance with English Law.

(b) Any dispute arising out of or in connection with this Agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this clause.

IN WITNESS WHEREOF, the parties hereto have signed their names as of the day and year first above written.

OCEANPAL INC.

/s/ Robert Perri

By: Robert Perri
Title: Chief Executive Officer

STEAMSHIP SHIPBROKING ENTERPRISES INC.

/s/ Ioannis Zafirakis

By: Ioannis Zafirakis
Title: Director and Treasurer

Oslo, 11 September 2023

SHAREHOLDERS AGREEMENT
CONCERNING

RFSEA INFRASTRUCTURE II AS

Appendix 1: List of Shareholders
Appendix 2: Company's bylaws

THIS SHAREHOLDERS AGREEMENT (the "**Shareholders Agreement**") is entered into on 11 September 2023 by and between:

(1) the companies and individuals listed in Appendix 1 as shareholders (the "**Shareholders**");

(2) RFSea Infrastructure II AS (under name change from NFH FBM 230101 AS), a private limited liability company duly registered and validly existing under the laws of Norway, having its registered address at Grundingen 6, 0250 Oslo, with business registration number 930 688 657 (the "**Company**").

Each of the Shareholders and the Company being a "**Party**" and jointly referred to as "**Parties**".

1. PURPOSE AND BUSINESS OF THE COMPANY

The Company's sole purpose is the investment in 2x chemical tankers with Yard's hull nos. W2343 and W2344 (the "**Vessels**") to be constructed under two newbuilding contracts dated 7 July 2023 (the "**Shipbuilding Contracts**") and entered into between the Company as Buyer and Wuhu Shipyard Co., Ltd. (the "**Yard**"); to complete its obligations and take delivery of the Vessels under the Shipbuilding Contracts, own and to operate the Vessels after delivery from the Yard, and thereby generating the best possible result for the Shareholders. The Shareholders agree that unless all Shareholders agree otherwise, the Company's business shall be limited to the ownership of the newbuilding's and operation of the Vessels after delivery.

The Shareholders shall ensure that their respective nominated directors shall act within their capacities in accordance with the terms and conditions of this Shareholders' Agreement when executing their responsibilities as directors of the Company.

This Shareholders Agreement regulate the Shareholders' ownership of the shares issued by the Company (the "**Shares**").

2. CAPITALISATION OF THE COMPANY AND COUNTER GUARANTEE

The Shareholders have committed to a cash funding of USD 15,000,000 as set out in Appendix 1 (the "**Financial Commitment**") to be converted into NOK at the Norge's Bank's closing exchange rate on a date acceptable to the Company's auditor prior to the relevant General Meeting resolving the relevant capital increase. The equity provided through the Financial Commitment shall be applied by the Company as payment of the relevant instalments payable under the Shipbuilding Contracts. The Financial Commitment shall be contributed as increase in share capital/share premium in 3 (three) tranches as follows:

- Tranche 1/USD 5.0m prior to payment of the first instalments payable under the Shipbuilding Contracts (or any of them);
- Tranche 2/USD 5.0m prior to payment of the second instalments payable under the Shipbuilding Contracts (or any of them); and
- Tranche 3/USD 5.0m prior to payment of the third instalments payable under the Shipbuilding Contracts (or any of them).

The Board shall determine when such tranches must be contributed to the Company in order for the Company to be in position to timely pay the relevant instalment under the Shipbuilding Contracts and shall summon for required Extraordinary General Meetings to formally approve such capital increases.

RFOcean S.A. has guaranteed or will guarantee to the Yard the Company's performance under the Shipbuilding Contracts through one performance guarantee per Shipbuilding Contract for instalments 2 – 5 payable under the Shipbuilding Contracts (the "**Performance Guarantees**"). Each Shareholder hereby counter guarantees, agrees and undertakes to indemnify RFOcean S.A. for a pro rata share equal to their ownership percentage in the Company at the time of this Shareholders' Agreement, or as later adjusted with the consent of RFOcean S.A., of any liability RFOcean S.A. may incur under such Performance Guarantees. The counter guarantee is unconditional (*in Norwegian a "påkravsgaranti"*) and any amount payable by the relevant Shareholder to RFOcean S.A. in respect of such counter guarantee shall be paid by each Shareholder to RFOcean S.A. within 15 calendar days after the relevant Shareholder's receipt of notice from RFOcean S.A. that a claim has been made against RFOcean S.A. under any Performance Guarantees. PROVIDED HOWEVER, that each Shareholder's liability under such counter guarantees shall be limited to the relevant Shareholder's Financial Commitment, and any amounts paid by RFOcean S.A. in respect of the second and third instalments payable under the Shipbuilding Contracts. Any payment of the relevant Financial Commitment by a Shareholder to the Company shall reduce the relevant Shareholder's liability under this counter guarantee. The counter guarantee issued herein is separate and independent of the other provisions of this Shareholders Agreement and the relevant Shareholder's ownership in the Company. Each Shareholder shall be bound by this counter-guarantee regardless of the relevant Shareholder selling or transferring parts or all its shares in the Company, being precluded from the Company, or otherwise exits as a shareholder in the Company. Except as expressly provided for in this Shareholders Agreement, any adjustment or release of liability hereunder shall be subject to the written consent by RFOcean S.A. (which shall not be unreasonably withheld). The Shareholders will be released from their liability under the counter guarantees issued herein when and if RFOcean S.A. is released from its liabilities under the Performance Guarantee, or (if earlier) when the relevant Shareholder has paid its Financial Commitment to the Company in full.

3. OBLIGATION TO VOTE ACCORDING TO THE SHAREHOLDERS AGREEMENT

Subject to Norwegian mandatory law, the Shareholders are obligated to execute their rights and obligations of this Shareholders Agreement in all possible ways, hereunder including but not limited to casting their votes in the Company's general meeting to comply with this Shareholders Agreement.

4. GENERAL MEETING

Matters that are specifically stated in the Shareholders Agreement or are required by law or the Company's constitutional documents shall be decided by the General Meeting.

A General Meeting may be held without a physical meeting, and the Shareholders may vote by either giving a written proxy to the Board, or other representatives, or vote by written communication, including by e-mail.

Any Shareholder may demand that the General Meeting is held as physical meeting, by sending a written requireement to the Board upon receipt of such notice of the General Meeting and at the latest 48 hours after the calling up notice was received.

4.1 The Ordinary General Meeting

The ordinary General Meeting shall be held before the end of 30th June.

4.2 The Extraordinary General Meeting

The Extraordinary General Meeting shall be convened subject to at least 5 business days' written notice. If deemed as an emergency situation by the Board, the Extraordinary General Meeting may be convened at a minimum of 2 business days' written notice.

4.3 Other matters

Any matter that in light of the Company's situation are of an unusual nature or of special Importance shall be decided by the General Meeting, such as the raising of equity capital or major loans, the sale of the Vessels, the chartering of the Vessels on charter-parties with a duration in excess of twenty-four (24) months and the creation of mortgages on the Vessels.

5. BOARD OF DIRECTORS

The Company shall have a board (the "**Board**") comprising of three (3) directors, including deputy directors, if applicable, all of whom are elected at the general meeting.

As long as RFOcean S.A. holds at least 10 % of the Shares and act as Disponent Owner and/or guarantor under the Performance Guarantees, they shall be entitled to appoint one director (with personal deputy director if requested by RFOcean SA), who shall also be elected as chairperson of the Board. As long as OceanPal Inc. holds at least 25 % of the Shares they shall be entitled to appoint one director (with personal deputy director if requested by OceanPal Inc.).

6. TRANSFERABILITY OF SHARES

The Shareholders have the right to transfer their Shares in the Company in whole or in part.

Other Shareholders shall not have pre-emptive rights to purchase Shares sold or transferred by a Shareholder.

The Board shall approve all and any transfers of Shares, be it by inheritance, gift, sale or the like, provided however, that a Shareholder shall have the right to transfer its Shares without approval of the Board to a company or companies controlled by the Shareholder (or the ultimate holding company of the Shareholder) seeking to transfer its Shares subject to fulfillment of KYC requirements of the Company, its business manager, financiers or other contractual counterparties (if applicable). No approval shall be required if the sale is due to an enforcement of a pledge over such shares provided such pledge has been approved by the Company.

It is a condition for any transfer of Shares that the new Shareholder accedes to this Shareholders Agreement, and the Board shall have authority to sign the necessary accession letters/agreements.

Any release from, and/or transfer of, the counter guarantees issued under Clause 2 above shall in the event of a transfer of Shares, whether to a third party or an affiliated company, be subject to the provisions of Clause 2 and subject to the approval of RFOcean SA (which shall not be unreasonably withheld).

7. JOINT SALE OF VESSELS OR SHIPBUILDING CONTRACTS

Shareholder(s) representing at least twenty percent (20 %) of the Shares in the Company may demand the Shipbuilding Contracts and/or the Vessels to be sold jointly taking due account of any charter party commitments and subject to any required approval of any charterer(s) and/or lender(s) and/or Yard. Provided, however, that (i) any right to demand a sale of the Shipbuilding Contracts is conditional upon the Yard agreeing to fully release the Company from its obligations under the Shipbuilding Contracts, and (ii) such demand must comprise all Vessels and/or Shipbuilding Contracts, and not only some.

Shareholder(s) demanding such sale (the "**Selling Shareholder(s)**") are obliged to offer their Shares for sale to the other Shareholders and to negotiate the price for such Shares prior to a sale of the Vessels/Shipbuilding Contracts being triggered. Upon receipt of a request for sale from such Selling Shareholder(s), the Commercial Manager shall inform all other Shareholders of such request via email to the last email address of such Shareholders known to the Commercial Manager. The Commercial Manager shall have no responsibility for each Shareholders' receipt of such email. Other Shareholder(s) not forming a part of the request to trigger a sale of the Vessels/Shipbuilding Contracts, but also wanting to support a sale, shall be entitled within 48 hours of such email information being sent by the Commercial Manager to offer also their Shares for sale to the other Shareholders on the same terms as the Selling Shareholder(s) and participate in the negotiation of a sale price, and shall then be considered among the "Selling Shareholders". Should the Shareholders fail to agree on the price within seven (7) Norwegian business days after the expiry of the 48 hours notice period to all Shareholders, the Selling Shareholder(s) shall make an offer to the other Shareholders to purchase the Shares of the Selling Shareholder(s) at a specific price (the "**Offer**"). The Offer shall clearly identify the value of the Vessels/Shipbuilding Contracts (the "**Minimum Vessel Value**") being the basis for the calculation of the Offer. Should such Offer not be accepted, the sale of the Vessels/Shipbuilding Contracts pursuant to this clause shall be submitted in writing to the Company and the Company shall immediately instruct the Commercial Manager to offer the Vessels/Shipbuilding Contracts for sale. The Vessels/Shipbuilding Contracts shall not be sold at a lower total net price than the Minimum Vessel Value. Should all received offers for the purchase of the Vessels/Shipbuilding Contracts be lower than the Minimum Vessel Value, the Selling Shareholders shall be entitled with three (3) Norwegian business days notice, to reduce their Offer to the highest bid(s) received for the Vessels/Shipbuilding Contracts, whereafter the other Shareholders shall be entitled to purchase the shares of the Selling Shareholders at such lower price. Should such revised Offer not be accepted, the offer for the purchase of the Vessels/Shipbuilding Contracts at a price equal to the values forming the basis for the revised Offer shall be submitted to the General Meeting as set out below.

As soon as fully negotiated offer(s) for the purchase of the Vessels/Shipbuilding Contracts have been obtained from potential buyer(s) at a total price equal to or exceeding the Minimum Vessel Value, or a values forming the basis for the revised Offer as set out above, such purchase offer(s) shall be submitted to the General Meeting, which shall be called at three (3) Norwegian business days' notice. Provided that Shareholders representing at least 20 % of the Shares support the submitted offer, the offer shall be accepted, and the Vessels/Shipbuilding Contracts sold.

If the Vessels/Shipbuilding Contracts are marketed for joint sale in accordance with this Clause 7, and no negotiated offer(s) has been presented to the General Meeting within 3 months after the Vessels/Shipbuilding Contracts were marketed for sale, the sale process shall be aborted unless a majority of the Shareholders decide that the sale process shall continue. If the sale process is aborted, a

new demand for joint sale of the Vessels/Shipbuilding Contracts in accordance with this Clause 7 cannot be raised until 6 months after the previous sale process was aborted.

This Clause 7 applies to a trigger of a sale of both Vessels/Shipbuilding Contracts (or one Vessel/Shipbuilding Contract if the other Vessel/Shipbuilding Contract has already been sold). A sale of a single Vessel or Shipbuilding Contract, where the Company will remain the owner of the second Vessel/Shipbuilding Contract, is not subject to the provisions of this Clause 7, but is subject to approval of the General Meeting with a majority of more than 50 % of the votes cast in favor of such sale, and without any obligation to offer any Shares for sale or right of other Shareholders to require to purchase the Shares of any Shareholder voting in favour of such sale.

8. SALE OF THE COMPANY

Shareholders representing at least twenty percent (20 %) of the shares may demand the entire Company to be sold, subject to any restrictions on change of control in the Company's agreements, hereunder charters and loan agreements. Shareholder(s) demanding such sale (the "**Selling Shareholder(s)**") are obliged to offer their Shares for sale to the other Shareholders and to negotiate the price for such Shares prior to a sale of the Company being triggered. Upon receipt of a request for sale from such Selling Shareholder(s), the Commercial Manager shall inform all other Shareholders of such request via email to the last email address of such Shareholders known to the Commercial Manager. The Commercial Manager shall have no responsibility for each Shareholders' receipt of such email. Other Shareholder(s) not forming a part of the request to trigger a sale of the Company, but also wanting to support a sale, shall be entitled within 48 hours of such email information being sent by the Commercial Manager to offer also their Shares for sale to the other Shareholders on the same terms as the Selling Shareholder(s) and participate in the negotiation of a sale price, and shall then be considered among the "Selling Shareholders". Should the Shareholders fail to agree on the price within seven (7) Norwegian business days after the expiry of the 48 hours notice period to all Shareholders, the Selling Shareholder(s) shall make an offer to the other Shareholders to purchase the Shares of the Selling Shareholder(s) at a specific price (the "**Offer**"). The Offer shall clearly identify the value of the Company being the basis for the calculation of the Offer. Should such Offer not be accepted, the sale of the Company pursuant to this clause shall be submitted in writing to the Company and the Company shall immediately instruct the Commercial Manager to offer the Company for sale. The Company shall not be sold at a lower total net price than the Offer. Should all received offers for the purchase of the Company be lower than the Offer, the Selling Shareholders shall be entitled with three (3) Norwegian business days notice, to reduce their Offer to the highest bid(s) received for the Company, whereafter the other Shareholders shall be entitled to purchase the shares of the Selling Shareholders at such lower price. Should such revised Offer not be accepted, the offer for the purchase of the Company at a price equal to the values forming the basis for the revised Offer shall be submitted to the General Meeting as set out below.

As soon as an offer for purchase of the Company from a named bidder (hereinafter "**the Bidder**") has been successfully negotiated (hereinafter the "**Bid**") this shall be submitted to the Board and the Company's General Meeting, which shall be convened at three (3) Norwegian business days' notice. The Bid with information about the Bidder shall be stated in the summons, and the Board and the General Meeting shall decide on the Bid. The Bid must embrace the purchase of the entire Company for cash settlement and shall not be lower (on a per share basis) than the net price for each offered Share set out in the Offer or a revised Offfer.

Provided at least twenty percent (20 %) of the share capital gives its consent to acceptance of the Bid, it shall be accepted.

If at least twenty percent (20 %) of the share capital gives it consent to the Bid all Shareholders shall be obliged to sell their ownership interests in the Company to the Bidder pursuant to the Offer.

If all Shares in the Company are marketed for joint sale in accordance with this Clause 8, and no negotiated bid(s) has been presented to the General Meeting within 3 months after the Company was marketed for sale, the sale process shall be aborted unless a majority of the Shareholders decide that the sale process shall continue. If the sale process is aborted, a new demand for a sale of the Company in accordance with this Clause 8 cannot be raised until 6 months after the previous sale process was aborted.

9. DEFAULT PROVISION – PRECLUSION

9.1 Reasons for preclusion

A Shareholder may be precluded from the Company through resolution of the Board if:

(a) a creditor of the Shareholder seizes the participation by way of execution, distraint or sequestration in respect of the Shareholder's Shares based on an enforceable title that is not only provisional and if the action is not withdrawn within thirty (30) days;

(b) the Shareholder ceases payments in general, is declared bankrupt or commences on private or public composition proceedings (except in reltaion to a solvent reorganisation), or the Shareholder decedents estate is taken under administration as insolvent;

(c) the Shareholder takes legal action for its dissolution; or

(d) The Shareholder defaults in its obligation to pay the Financial Comittment as called for by the Company.

9.2 Procedure for Preclusion or Retirement

If a reason for preclusion pursuant to Clause 9.1 has occurred and is continuing:

(a) The non-defaulting Shareholders shall have the right to require said Shareholders preclusion by application to the Board, who at the same time as presenting a demand for preclusion shall notify the Parties entitled to effect preclusion by registered mail.

(b) Upon presentation of a demand for preclusion, a valuation in accordance with the following paragraph Clause 9.3 shall be conducted immediately thereafter to determine the market value of the Vessels/Shipbuilding Contracts, unless the Parties are able to agree on the preclusion payment without delay.

9.3 Calculation of amount payable upon preclusion of Shareholder(s)

(c) The amount payable upon preclusion shall be determined by means of a valuation of the shares in the Company. The calculation of the amount payable shall be based on the estimated market value upon ordinary sale of the Vessels/Shipbuilding Contracts, adjusted for positive or negative values pertaining to any employment of the Vessels, calculated as the average of the estimates of three internationally recognised shipbrokers (based on the mid point if such estimates are expressed as a range), one such broker being nominated by each of the Company and the precluded Party or Parties, and the third broker to be

nominated by the two brokers already nominated. Should the two brokers fail to agree on the third broker, the third broker shall be appointed by Nordic Defence Club. If one Party fails to nominate its shipbroker/appraiser, this shipbroker/appraiser shall be appointed by Nordic Defence Club on request by a Shareholder. If the appointed shipbrokers fail to agree, the price shall be determined on the basis of the arithmetic average of the specified values (based on the mid point if such especified values are expressed as a range). The cost of valuation shall be divided equally between the precluded Party(ies) and the precluding Party(ies).

(d) The stated or calculated values are binding and cannot be appealed. The calculated value shall be adjusted to reflect the Company's other assets and liabilities, and shall be subject to the deduction of a 2% sales commission and USD 200,000 in delivery/winding-up cost per Vessel in addition to 15 % of the gross value of the Vessels/Shipbuilding Contracts.

9.4 Principles upon preclusion of a Shareholder

In all cases under this Shareholder Agreement regarding preclusion, the following principles shall apply:

(a) When the demand for preclusion is received by the Board of the Company, the offer shall without delay, but at the latest within three (3) working days, be sent in writing or email to each Shareholder.

(b) Any preclusion of a Shareholder in full shall be arranged between the Shareholders by transfer of shares in the Company and settlement directly between the relevant Parties.

(c) Each non-defaulting Shareholder wishing to take advantage of the preclusion must state so in writing directly to the Board. If the right of preclusion is invoked by more than one non-defaulting Shareholder, the Shareholders share shall be allotted between them on the basis of their ownership in the Company.

(d) The Shareholder(s) presenting a demand for preclusion shall within fourteen (14) calendar days of receiving a valuation described in Clause 9.3 adopt the final decision on whether the preclusion request is to stand and, if so, effect the payment within the same fourteen (14) days, unless the parties agree otherwise.

10. TERMINATION

This Shareholders Agreement shall take effect as of the date hereof and shall terminate and be of no further force or effect:

a) upon the date on which the Shareholders hereto agree in writing to terminate this Shareholders Agreement, or

b) with respect to a Shareholder transferring all its Shares in compliance with this Shareholders Agreement, upon the said transfer has been completed.

11. CONFIDENTIALITY

The Shareholders agree to keep all information with regards to the Company, the Shareholders and all other information with regards to strategy and operation of the Company strictly confidential. The Shareholders can not use any such information in their own business or disclose information for any other person or company.

The Shareholders agree that this Shareholders Agreement shall be treated confidential. This confidentiality does not include information a Shareholder is obligated to provide according to law or in agreement with public authority (including, but not limited to, the listing rules on any stock exchange or multilateral trading facility on which a Shareholder has listed securities), and information required in connection with accounting.

If any Shareholders are required by public authority to provide information as described above (except in relation to under the listing rules on any stock exchange or multilateral trading facility on which a Shareholder has listed securities), the other Shareholders shall be consulted and an agreement on how to present the information shall be agreed.

Information that is public is not included in this confidentiality clause.

12. ARBITRATION

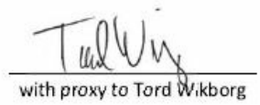
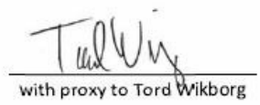
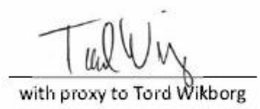
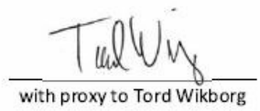
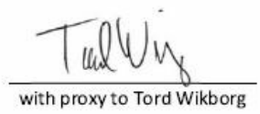
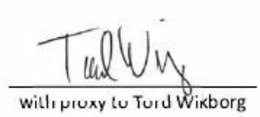
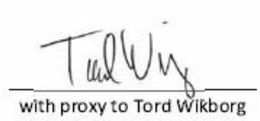
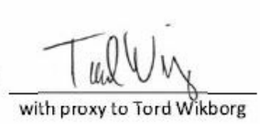
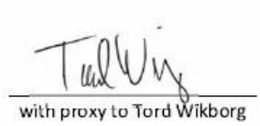
12.1 This Shareholders Agreement shall be governed by the laws of Norway.

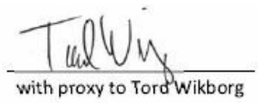
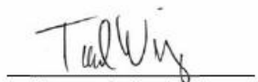
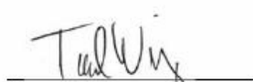
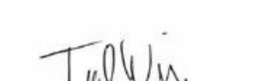
12.2 Any dispute occasioned by this Shareholders Agreement shall be settled by arbitration in (place) pursuant to the regulations in force from time to time, at present this being the Act concerning Arbitration of 2004. Each of the parties shall nominate one arbitrator, and the nominated arbitrators shall in turn elect a third arbitrator who shall be the chairman of the arbitration tribunal. The arbitration proceeding shall be confidential and be conducted in the English language.

12.3 Should the arbitrators fail to nominate the chairman or if a party fails to nominate an arbitrator within fourteen (14) days of receiving a demand for arbitration, the person in question shall be appointed by the Senior Judge at Oslo District Court. The decision of the arbitration tribunal is final.

* * *

IN WITNESS WHEREOF, the Parties have entered into this Shareholders Agreement on the day and year first above written.

1	OceanPal Inc.	 with proxy to Tord Wikborg
2	RFOcean SA	 with proxy to Tord Wikborg
3	Thor Nordic Shipping SA	 with proxy to Tord Wikborg
4	Hellesund Holding Limited	 with proxy to Tord Wikborg
5	Mosvold Investment Limited	 with proxy to Tord Wikborg
6	Kingsford Shipping AS	 with proxy to Tord Wikborg
7	Woodstone Capital GmbH	 with proxy to Tord Wikborg
8	Motor Trade Eiendom og Finans AS	 with proxy to Tord Wikborg
9	Snake Oil (norway) AS	 with proxy to Tord Wikborg

10	BEJ Invest AS	 with proxy to Tord Wikborg
11	Skips AS Pelagos	 with proxy to Tord Wikborg
12	Cricorcagu AS	 with proxy to Tord Wikborg
13	Barwon Riverhouse Pty Ltd	 with proxy to Tord Wikborg
14	MD Amass LTD	 with proxy to Tord Wikborg
15	Janine AS	 with proxy to Tord Wikborg
16	Jorad AS	 with proxy to Tord Wikborg
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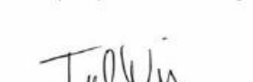
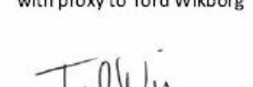
18	Pjakken AS	 with proxy to Tord Wikborg
19	Hokus Pokus AS	 with proxy to Tord Wikborg

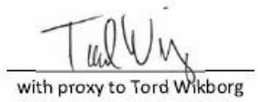
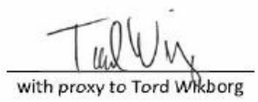
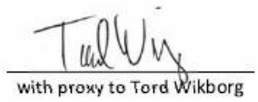
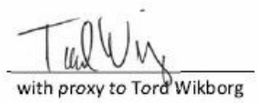
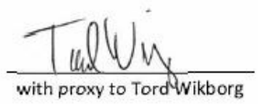
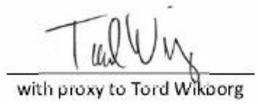
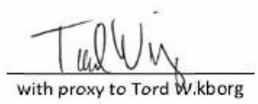
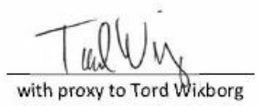
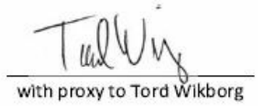
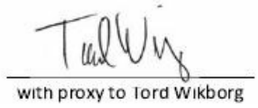
20	Petroservice AS	 with proxy to Tord Wikborg
21	Ny Eigedom AS	 with proxy to Tord Wikborg
22	Granhaug Industrier AS	 with proxy to Tord Wikborg
23	Lars Aage Haaland Christiansen	 with proxy to Tord Wikborg
24	Tore Grøttum	 with proxy to Tord Wikborg
25	AS Olsen & Ugelstad	 with proxy to Tord Wikborg
26	Sognefjell AS	 with proxy to Tord Wikborg
27	Kabbe Holding AS	 with proxy to Tord Wikborg
28	Bess Invest AS	 with proxy to Tord Wikborg
29	Enram AS	 with proxy to Tord Wikborg

Exhibit 12.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Robert Perri, certify that:

1. I have reviewed this annual report on Form 20-F of OceanPal Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. [Intentionally omitted];

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 15, 2024

By: /s/ Robert Perri
Robert Perri
Chief Executive Officer
(Principal Executive Officer)

Exhibit 12.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Vasiliki Plousaki, certify that:

1. I have reviewed this annual report on Form 20-F of OceanPal Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. [Intentionally omitted];

4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 15, 2024

/s/ Vasiliki Plousaki

Vasiliki Plousaki
Chief Financial Officer
(Principal Financial Officer)

Exhibit 13.1

PRINCIPAL EXECUTIVE OFFICER CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with this Annual Report of OceanPal Inc. (the "Company") on Form 20-F for the year ended December 31, 2023 as filed with the Securities and Exchange Commission (the "SEC") on or about the date hereof (the "Report"), I, Robert Perri, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request

Date: April 15, 2024

/s/ Robert Perri
Robert Perri
Chief Executive Officer
(Principal Executive Officer)

Exhibit 13.2

PRINCIPAL FINANCIAL OFFICER CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with this Annual Report of OceanPal Inc. (the "Company") on Form 20-F for the year ended December 31, 2023 as filed with the Securities and Exchange Commission (the "SEC") on or about the date hereof (the "Report"), I, Vasiliki Plousaki, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request

Date: April 15, 2024

/s/ Vasiliki Plousaki
Vasiliki Plousaki
Chief Financial Officer
(Principal Financial Officer)

Exhibit 15.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form F-3 No. 333-269961) of OceanPal Inc., and
(2) Registration Statement (Form F-3 No. 333-273073) of OceanPal Inc.;

of our report dated April 15, 2024, with respect to the consolidated financial statements of OceanPal Inc. included in this Annual Report (Form 20-F) of OceanPal Inc. for the year ended December 31, 2023.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece
April 15, 2024

Exhibit 15.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form F-3 No. 333-269961) of OceanPal Inc., and
(2) Registration Statement (Form F-3 No. 333-273073) of OceanPal Inc.;

of our report dated April 06, 2022, with respect to the combined carve-out financial statements of OceanPal Inc. Predecessors included in this Annual Report (Form 20-F) of OceanPal Inc. for the year ended December 31, 2023.

/s/ Ernst & Young (Hellas) Certified Auditors Accountants S.A.

Athens, Greece
April 15, 2024

Exhibit 97.1

OCEANPAL INC.
POLICY REGARDING THE RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

I. Introduction

The Board of OceanPal Inc., a Marshall Islands corporation (the "Company"), is dedicated to maintaining and enhancing a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. In accordance with the applicable rules of The Nasdaq Stock Market (the "Exchange Rules"), and Section 10D and Rule 10D-1 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Board has therefore adopted this Policy, which provides for the recoupment, otherwise referred to as "clawback", of certain erroneously awarded Incentive-Based Compensation from Executive Officers in the event of an Accounting Restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws, and which is intended to comply with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. All capitalized terms used and not otherwise defined herein shall have the meanings set forth in Section II.

II. Definitions

(1) "***Accounting Restatement***" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a "Big R" or reissuance restatement), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "little r" or revision restatement). For the avoidance of doubt, in no event will a restatement of the Company's financial statements that is not due in whole or in part to the Company's material noncompliance with any financial reporting requirement under applicable law (including any rule or regulation promulgated thereunder) be considered an Accounting Restatement under this Policy. For example, a restatement due exclusively to a retrospective application of any one or more of the following will not be considered an Accounting Restatement under this Policy: (i) a change in accounting principles; (ii) revision to reportable segment information due to a change in the structure of the Company's internal organization; (iii) reclassification due to a discontinued operation; (iv) application of a change in reporting entity, such as from a reorganization of entities under common control; and (v) revision for stock splits, reverse stock splits, stock dividends or other changes in capital structure.

(2) *"**Board**"* means the Board of Directors of the Company.

(3) "***Clawback Eligible Incentive Compensation***" means all Incentive-Based Compensation Received by an Executive Officer (i) on or after the effective date of the applicable Exchange rules adopted in order to comply with Rule 10D-1, (ii) after beginning service as an Executive Officer, (iii) who served as an Executive Officer at any time during the applicable performance period relating to the applicable Incentive-Based Compensation (whether or not such Executive Officer is serving as such at the time the Erroneously Awarded Compensation is required to be repaid to the Company), (iv) while the Company has a class of securities listed on a national securities exchange or a national securities association, and (v) during the applicable Clawback Period (as defined below).

(4) "***Clawback Period***" means, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date (as defined below), and if the Company changes its fiscal year, any transition period of less than nine months within or immediately following those three completed fiscal years.

(5) *"**Committee**"* means the Compensation Committee of the Company (if composed entirely of independent directors, or in the absence of such a committee, a majority of independent directors serving on the Board).

(6) "***Erroneously Awarded Compensation***" means, with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid.

(7) "***Exchange***" means the Nasdaq Stock Market.

(8) "***Executive Officer***" means each individual who is (a) a current or former executive officer, as determined by the Committee (as defined below) in accordance with Section 10D and Rule 10D-1 of the Exchange Act and the listing standards of the Exchange, (b) a current or former employee who is classified by the Committee as an executive officer of the Company, which includes without limitation any of the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs policy-making functions for the Company (including executive officers of a parent or subsidiary if they perform policy-making functions for the Company), and (3) an employee who may from time to time be deemed subject to the Policy by the Committee. For the avoidance of doubt, the identification of an executive officer for purposes of this Policy shall include each executive officer who is or was identified pursuant to Item 401(b) of Regulation S-K.

(9) "***Financial Reporting Measures***" means measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and all other measures that are derived wholly or in part from such measures. Stock price and total shareholder return (and any measures that are derived wholly or in part from stock price or total shareholder return) shall, for purposes of this Policy, be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented in the Company's financial statements or included in a filing with the SEC.

(10) "***Incentive-Based Compensation***" shall have the meaning set forth in Section III below.

(11) "***Exchange Effective Date****"* means October 2, 2023.

(12) *"**Policy**"* means this Clawback Policy, as the same may be amended and/or restated from time to time.

(13) Incentive-Based Compensation will be deemed "***Received***" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation documentation is attained, even if (a) the payment or grant of the Incentive-Based Compensation to the Executive Officer occurs after the end of that period or (b) the Incentive-Based Compensation remains contingent and subject to further conditions thereafter, such as time-based vesting.

(14) "***Restatement Date***" means the earlier to occur of (i) the date the Board, a committee of the Board, or the officer(s) of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

(15) "***SARs****"* means shareholder appreciate rights.

(16) *"**SEC**"* means the U.S. Securities and Exchange Commission.

III. Incentive-Based Compensation

"Incentive-Based Compensation" shall mean any compensation that is granted, earned or vested wholly or in part upon the attainment of a Financial Reporting Measure.

For purposes of this Policy, specific examples of Incentive-Based Compensation include, but are not limited to:

- Non-equity incentive plan awards that are earned based, wholly or in part, on satisfaction of a Financial Reporting Measure performance goal;
- Bonuses paid from a "bonus pool," the size of which is determined, wholly or in part, based on satisfaction of a Financial Reporting Measure performance goal;
- Other cash awards based on satisfaction of a Financial Reporting Measure performance goal;
- Restricted stock, restricted stock units, performance share units, stock options and SARs that are granted or become vested, wholly or in part, on satisfaction of a Financial Reporting Measure performance goal; and

- Proceeds received upon the sale of shares acquired through an incentive plan that were granted or vested based, wholly or in part, on satisfaction of a Financial Reporting Measure performance goal.

For purposes of this Policy, Incentive-Based Compensation excludes:

- Any base salaries (except with respect to any salary increases earned, wholly or in part, based on satisfaction of a Financial Reporting Measure performance goal);
- Bonuses paid solely at the discretion of the Committee or Board that are not paid from a "bonus pool" that is determined by satisfying a Financial Reporting Measure performance goal;
- Bonuses paid solely upon satisfying one or more subjective standards and/or completion of a specified employment period;
- Non-equity incentive plan awards earned solely upon satisfying one or more strategic measures (e.g., consummating a merger or divestiture) or operational measures (e.g., completion of a project, acquiring a specified number of vessels, attainment of a certain market share); and
- Equity awards that vest solely based on the passage of time and/or satisfaction of one or more non-Financial Reporting Measures (e.g., a time-vested award, including time-vesting stock options or restricted share rights).

IV. Administration and Interpretation

This Policy shall be administered by the Committee, and any determinations made by the Committee shall be final and binding on all affected individuals. The Committee shall determine the amount of any Erroneously Awarded Compensation Received by each Executive Officer and shall promptly deliver written notice to each Executive Officer containing the amount of any Erroneously Awarded Compensation and a demand for repayment or return of such compensation, as applicable. For the avoidance of doubt, recovery of Erroneously Awarded Compensation is on a "no fault" basis, meaning that it will occur regardless of whether the Executive Officer engaged in misconduct or was otherwise directly or indirectly responsible, in whole or in part, for the Accounting Restatement.

The Committee is authorized to interpret and construe this Policy and to make all determinations and to take such actions as may be necessary, appropriate, or advisable for the administration of this Policy and for the Company's compliance with the Exchange Rules, Section 10D, Rule 10D-1 and any other applicable law, regulation, rule or interpretation of the SEC or the Exchange promulgated or issued in connection therewith.

V. Recovery of Erroneously Awarded Compensation

(1) In the event of an Accounting Restatement, the Committee shall promptly determine in good faith the amount of any Erroneously Awarded Compensation Received in accordance with the Exchange Rules and Rule 10D-1 for each Executive Officer in connection with such Accounting Restatement and shall promptly thereafter provide each Executive Officer with a written notice containing the amount of Erroneously Awarded Compensation (without regard to any taxes paid thereon by the Executive Officer) and a demand for repayment or return, as applicable.

a. Cash Awards. With respect to cash awards, the Erroneously Awarded Compensation is the difference between the amount of the cash award (whether payable as a lump sum or over time) that was Received and the amount that should have been received applying the restated Financial Reporting Measure.

b. Cash Awards Paid from Bonus Pools. With respect to cash awards paid from bonus pools, the Erroneously Awarded Compensation is the pro rata portion of any deficiency that results from the aggregate bonus pool that is reduced based on applying the restated Financial Reporting Measure.

c. Equity Awards. With respect to equity awards, if the shares, options or SARs are still held at the time of recovery, the Erroneously Awarded Compensation is the number of such securities Received in excess of the number that should been received applying the restated Financial Reporting Measure (or the value in excess of that number). If the options or SARs have been exercised, but the underlying shares have not been sold, the Erroneously Awarded Compensation is the number of shares underlying the excess options or SARs (or the value thereof). If the underlying shares have already been sold, then the Committee shall determine the amount which most reasonably estimates the Erroneously Awarded Compensation.

d. Compensation Based on Stock Price or Total Shareholder Return. For Incentive-Based Compensation based on (or derived from) stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, (i) the amount shall be determined by the Committee based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received; and (ii) the Committee shall maintain documentation of such determination of that reasonable estimate and provide such documentation to the Exchange in accordance with applicable listing standards.

(2) The Committee shall have discretion to determine the appropriate means of recovering Erroneously Awarded Compensation based on the particular facts and circumstances. Notwithstanding the foregoing, except as set forth in Section VI below, in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of an Executive Officer's obligations hereunder.

(3) To the extent that the Executive Officer has already reimbursed the Company for any Erroneously Awarded Compensation Received under any duplicative recovery obligations established by the Company or applicable law, it shall be appropriate for any such reimbursed amount to be credited to the amount of Erroneously Awarded Compensation that is subject to recovery under this Policy. To the extent that the Erroneously Awarded Compensation is recovered under a foreign recovery regime, the recovery would meet the obligations of Rule 10D-1.

(4) To the extent that an Executive Officer fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Executive Officer. The applicable Executive Officer shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal and other collection related fees) by the Company in recovering such Erroneously Awarded Compensation.

VI. Discretionary Recovery

Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated by Section V above if the Committee determines that recovery would be impracticable and any of the following three conditions are met.

(1) The Committee has determined that the direct expenses, such as reasonable legal expenses and consulting fees, paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. In order for the Committee to make this determination, the Company must make a reasonable attempt to recover the Erroneously Awarded Compensation, document such attempt(s) to recover, and provide such documentation to the Exchange;

(2) Recovery would violate home country law where that law was adopted prior to November 28, 2022, provided that, before determining that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of home country counsel, acceptable to the Exchange, that recovery would result in such a violation and a copy of the opinion is provided to Exchange;

(3) Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and regulations thereunder.

VII. Recoupment Period Covered and Amount

If an Accounting Restatement occurs, the Committee shall review all Incentive-Based Compensation that was granted, vested or earned on the basis of having met or exceeded Financial Reporting Measures and that was Received by an Executive Officer during the Clawback Period. With respect to each Executive Officer, the Committee shall, as provided under this Policy, seek to require the forfeiture or repayment of (1) the Erroneously Awarded Compensation, whether vested or unvested and including proceeds received upon the sale of shares acquired through an incentive plan that were granted or vested based wholly or in part on satisfying a Financial Reporting Measure, Received during the Clawback Period in the event of an Accounting Restatement, and (2) to the extent the Executive Officer engages in Detrimental Conduct, applicable Incentive-Based Compensation received thereafter.

Compensation shall be deemed to have been Received in the fiscal period in which the Financial Reporting Measure is attained, even if the Incentive-Based Compensation is not actually paid until a later date or where the compensation is subject to additional service-based or non-financial goal-based vesting conditions after the period ends. The amount to be recovered will be as provided for in this Policy.

VIII. Method of Recovery of Erroneously Awarded Compensation

The Committee will determine, in its sole discretion, the method for recovering Erroneously Awarded Compensation hereunder, which may include, without limitation:

(1) Requiring reimbursement of cash Incentive-Based Compensation previously paid;
(2) Seeking recovery of any gain realized on the granting, vesting, exercise, settlement, sale, transfer or other disposition of any equity or equity-based awards;
(3) Offsetting the recouped amount from any compensation otherwise owed by the Company or its affiliates to the Executive Officer;
(4) Cancelling outstanding vested or unvested equity or equity-based awards and/or reducing outstanding future payments due or possibly due in respect of amounts already Received; and/or
(5) Taking any other remedial and recovery action permitted by law, as determined by the Committee.

IX. Disclosure Requirements

The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including the disclosure required by the rules and applicable filings required to be made with the SEC.

X. No Indemnification

The Company shall not be permitted to insure or indemnify any Executive Officer against (i) the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy, or (ii) any claims relating to the Company's enforcement of its rights under this Policy. Further, the Company shall not enter into any agreement that exempts any Incentive-Based Compensation that is granted, paid or awarded to an Executive Officer from the application of this Policy or that waives the Company's right to recovery of any Erroneously Awarded Compensation, and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date of this Policy). While an Executive Officer may purchase a third-party insurance policy to fund potential recovery obligations under this Policy, the Company may not pay or reimburse the Executive Officer for premiums for such an insurance policy.

XI. Effective Date

This Policy shall be effective as of the Exchange Effective Date.

XII. Amendment; Termination

The Committee and thereafter, the Board, may amend this Policy from time to time in its discretion and shall amend this Policy as it deems necessary to comply with the requirements of any federal securities laws, SEC rule or the rules of any national securities exchange or national securities association on which the Company's securities are then listed. Notwithstanding anything in this Section XII to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate any federal securities laws, SEC rule, or the rules of any national securities exchange or national securities association on which the Company's securities are then listed.

XIII. Other Recovery Rights

This Policy will be applied to the fullest extent of the law. The Board and/or the Committee may, to the fullest extent of the law, require that any employment agreement, equity award agreement, or other plan, agreement or arrangement providing for incentive compensation shall, as a condition to the grant, receipt or vesting of any benefit thereunder, require an Executive Officer to agree to abide by the terms of this Policy, including requiring the execution of the attestation and acknowledgement set forth in Exhibit A to this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity or equity-based plan or award agreement, or other plan, agreement or arrangement providing for incentive compensation and any other legal remedies available to the Company. However, this Policy shall not provide for recovery of Incentive-Based Compensation that the Company has already recovered pursuant to Section 304 of the Sarbanes-Oxley Act or other recovery obligations.

XIV. Successors

This Policy shall be binding and enforceable against all Executive Officers and their beneficiaries, executors, administrators, permitted transferees, permitted assignees or other legal representatives, and shall inure to the benefit of any successor or assignee of the Company.

Exhibit A

ATTESTATION AND ACKNOWLEDGEMENT OF POLICY REGARDING THE RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

By my signature below, I acknowledge and agree that:

- I have received and read the attached Policy Regarding the Recovery of Erroneously Awarded Compensation (this "***Policy***").
- I hereby agree to abide by all of the terms of this Policy both during and after my employment with the Company, including, without limitation, by promptly repaying or returning any Erroneously Awarded Compensation to the Company as determined in accordance with this Policy.

Signature: _____

Printed Name: _____

Date: _____